

**A MARKET FEASIBILITY
STUDY OF:**

SHOCKOE HILL

ELDERLY I AND III

A MARKET FEASIBILITY STUDY OF:

SHOCKOE HILL ELDERLY I AND III

Located at:
212 Hospital Street
Richmond, Virginia 23219

Effective Date: August 10, 2020
Report Date: September 8, 2020

Prepared for:
Shockoe I Apartments VA LP
C/o Moshe Eichler
Capital Realty Group Inc.
86 East Route 59
Spring Valley, NY 10977

Prepared by:
Novogradac Consulting LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
913-677-4600



September 8, 2020

Shockoe I Apartments VA LP
C/o Moshe Eichler
Capital Realty Group Inc.
86 East Route 59
Spring Valley, NY 10977

Re: Market Study Update for Shockoe Hill Elderly I and III, located in Richmond, Virginia

Dear Mr. Eichler:

At your request, Novogradac Consulting LLP has performed a market study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of Shockoe Hill Elderly I and III (Subject), a proposed acquisition/rehabilitation of two existing multifamily developments that are operated as one. Phase I is a LIHTC/Section 8 development that consists of 113 studio and one-bedroom units, while Phase III is a market rate property that offers 12 one-bedroom units. Post-renovation, the Subject will offer units restricted to households earning 60 percent of the Area Median Income (AMI) or less. In addition, all 113 units at Phase I will continue to be project-based Section 8.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. Shockoe I Apartments VA LP is the client in this engagement. We understand that they will submit this document to the Virginia Housing Development Authority (VHDA) for tax credit application. The scope of this report meets the requirements of VHDA, including the following:

- Inspecting the site of the proposed Subject and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

**SHOCKOE HILL ELDERLY I AND III
MARKET STUDY
SEPTEMBER 8, 2020
PAGE 2**

The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact. At this point it is unclear how the stimulus packages will blunt the impact from the emergency measures. Further, it is unclear as to how these measures will impact the housing market, although some general trends are observed:

- *Clients and market participants throughout the country report April and May collections that were better than expected for all types of multifamily properties. Particularly for affordable and senior housing.*
- *Based upon various conversations with market participants and published articles and webinars many believe that multifamily real estate will be impacted but significantly less so than other sectors. Further, the impact is expected to be shorter lived. Many view multifamily as a safer haven during this period of uncertainty.*
- *Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was at 96.3 percent and it dropped less than one percentage point during the slowdown, dropping to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. While this recession will undoubtedly be different than the last, this performance supports the points made above and illustrates the resilience in the affordable housing sector.*
- *States are starting to plan the reopening over the next several weeks to months. The state of Virginia is in the process of reopening local businesses, with reopening date of June 12 for non-essential business such as schools, day camps, bars, gyms, movie theaters, and professional sports. However, the reopening has been scaled, and many businesses, including food services, opening at limited occupancy. That should open up various job segments creating more stability and demand. Generally, the Richmond, Virginia MSA is an economy that relies on the healthcare/social assistance educational services sectors, which is stable during times of economic contraction. However, the PMA also relies on retail trade and accommodation/food services, which are more volatile industries.*
- *Finally, there have been transactions that were started prior to shut-down that have recently closed without adjustment.*

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

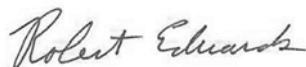
The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac Consulting LLP is a charter member of this organization and adheres to the market study guidelines promulgated by NCHMA. The NCHMA certification and checklist can be found in the *Addenda* of this report. Please refer to the checklist to find the sections in which content is located.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac Consulting LLP



Rebecca S. Arthur, MAI
Partner
Certified General Real Estate Appraiser
Rebecca.Arthur@novoco.com
(913) 312-4615



Robert C. Edwards, MAI
Senior Analyst
Certified General Real Estate
Appraiser VA: 4001017477



Will Hoedl
Manager
Will.Hoedl@novoco.com
(913) 312-4613

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY AND CONCLUSIONS	1
II.	PROJECT DESCRIPTION	5
III.	LOCATION, MARKET AREA DEFINITION & PROPERTY CHARACTERISTICS.....	13
IV.	EMPLOYMENT AND ECONOMY	35
V.	DEMOGRAPHIC CHARACTERISTICS	45
VI.	COMPETITIVE ENVIRONMENT	56
VII.	DEMAND ANALYSIS / CONCLUSIONS.....	121
VIII.	LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES	133

ADDENDUM A - ASSUMPTIONS AND LIMITING CONDITIONS

ADDENDUM B - STATEMENT OF QUALIFICATIONS

ADDENDUM C - DATA SOURCES

ADDENDUM D - NCHMA CERTIFICATION

ADDENDUM E - UTILITY ALLOWANCE SCHEDULE

ADDENDUM F - SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS-

I. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

Shockoe Hill Elderly I and III (Subject) are existing multifamily properties located adjacent to one another at 212 Hospital Street, Richmond, Virginia 23219. Phase I is a 113-unit Section 8/LIHTC property and Phase II is a 12-unit market rate property, both of which are age-restricted and proposed for renovation with LIHTC equity. Phase I was originally constructed 1860 and served as a hospital and barracks during the Civil War. Post-war, the building was known as the Richmond Almshouse and provided housing for the city’s indigent, while Phase III was constructed in 1950 as an administrative building, before both were converted into apartments in the 1984. Phase I was renovated with LIHTC funding in 2000 and currently exhibits average condition. Of the 125 units, 113 units (Phase I) are LIHTC-restricted to households earning 60 of the area median income (AMI) and also benefit from Section 8 subsidies, while the remaining 12 units (Phase III) are unrestricted. The Subject’s most recent HAP contract will run through June 1, 2034.

The Subject’s proposed rents and AMI levels post-renovation are detailed in the following table.

PROPOSED RENTS								
Unit Type	Number of Units	Unit Size (SF)*	Proposed LIHTC Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	Current Net Contract Rents	Proposed Post-Renovation Net Contract Rents
<i>60% AMI/Section 8** (Phase I)</i>								
OBR/1BA	41	479	\$939	\$0	\$939	\$939	\$848	\$1,063
1BR/1BA	72	550	\$1,006	\$0	\$1,006	\$1,006	\$870	\$1,110
<i>60% AMI (Phase III)</i>								
1BR/1BA	<u>12</u>	380	\$487	\$0	\$487	\$1,006	N/A	N/A
Total	125							

Notes (1) Source of Utility Allowance provided by the developer

*Weighted Average

**Tenants will pay 30 percent of their income towards rent

In general, we believe there is demand in the marketplace for the Subject as conceived. We recommend no changes to the development scheme.

Strengths

- The Subject offers an elevator served lowrise design and also a one-story garden-style design, which is a highly desirable attribute, according to the property manager.
- Historically, the Subject’s in-unit, community amenities, and unit sizes have been well accepted in the market; thus, we believe they will continue to be competitive with the comparables.
- The local economy appears to be outperforming the nation in terms of total employment growth and unemployment rate. From June 2019 to June 2019, the unemployment rate in the MSA increased 6.1 percentage points and is currently 9.2 percent, while the national unemployment rate increased 7.4 percentage points to 11.2 percent over this same time period.
- The senior LIHTC comparables reported vacancy of 0.9 to 4.6 with an average of 2.3 percent and four of the five senior LIHTC comparables maintain waiting lists.
- The Subject is an existing senior affordable/market rate development that has historically maintained strong occupancy with a waiting list.
- The Subject is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- The Subject’s studio and one-bedroom weighted average unit sizes are below the average unit sizes of the comparables and the Subject’s studio unit sizes are below the range of the comparables, while the one-bedroom unit sizes are within the range of the comparables. The smaller units at the comparable properties do not appear to exhibit any performance issues and/or be at any significant disadvantage and, therefore, the Subject’s units are considered competitive in the market.

We believe there is ample demand for the Subject as proposed. Our concluded overall capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units	8.5%
Project Wide Absorption Period (Months)	5-6 months

II. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Location: The Subject is located at 212 Hospital Street in eastern Richmond, Virginia 23219.

Site Description: The site is irregular in shape with frontage along the north side of Hospital Street and east side of North 2nd Street. The property consists of one three-story, low-rise elevator-served historic building (Phase I), one single-story building (Phase III), and one ancillary building. Additionally, the Subject site is 3.74 acres, or 162,914 square feet.

Aerial of Subject:



Proposed Rents and Unit Mix:

The following table details the proposed rents and unit mix for the Subject. The utility allowance/structure will remain the same for the Subject as renovated. The proposed post renovation net contract rents are based upon the weighted average achievable market conclusion in the RCS prepare by Novogradac dated June 19, 2020, while the proposed 60 percent AMI rents for Phase III are based on the current tenant-paid rents.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)*	Proposed LIHTC Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	Current Net Contract Rents	Proposed Post-Renovation Net Contract Rents
<i>60% AMI/Section 8** (Phase I)</i>								
OBR/1BA	41	479	\$939	\$0	\$939	\$939	\$848	\$1,063
1BR/1BA	72	550	\$1,006	\$0	\$1,006	\$1,006	\$870	\$1,110
<i>60% AMI (Phase III)</i>								
1BR/1BA	<u>12</u>	380	\$487	\$0	\$487	\$1,006	N/A	N/A
Total	125							

Notes (1) Source of Utility Allowance provided by the developer

*Weighted Average

**Tenants will pay 30 percent of their income towards rent

Following rehabilitation and the allocation of new LIHTCs, all of the Subject units will be restricted at 60 percent AMI. In addition, 113 units will continue to benefit from Section 8 subsidies, and tenants will continue to contribute 30 percent of income as rent, not to exceed the lesser of the LIHTC rents and contract rents.

Current Asking and Achieved Rents:

The Subject's current asking and achieved rents, as well as the projected rents, are detailed in the following table. It should be noted that the average tenant paid rent for Phase III does not include two Housing Choice Voucher holding tenants.

CURRENT ASKING, ACHIEVED, AND PROPOSED RENTS

Unit Type	Unit Size (SF)*	Current Asking/Contract Rents	Average Tenant-Paid Rent	Proposed Contract Rent	Percentage Increase in Proposed vs. Achieved Rents	Percentage Increase in Proposed vs. Current Asking Rents
<i>60%/Section 8 (Phase I)**</i>						
OBR/1BA	479	\$848	\$241	\$1,063	N/A	25.4%
1BR/1BA	550	\$870	\$263	\$1,110	N/A	27.6%
<i>Market (Phase III)</i>						
1BR/1BA	380	\$487	\$455	\$487	7.0%	0.0%

*Weighted Average

**Tenants will continue to pay 30 percent of income to rent.

Post renovation, the Section 8 units at Phase I will operate with LIHTC restrictions at the 60 percent Area Median Income (AMI) levels or less. The proposed one-bedroom rents at Phase III are equal to the current asking rents and \$32 (7.0 percent) above the current achieved rents.

Target Population: The Subject will target seniors 62 years and older earning 60 percent AMI or less.

Utility Structure: The Subject’s rent includes all utilities, including electric water heating, electric heating, electric cooking, general electric expenses, as well as water, sewer, and trash expenses, and all common area expenses. Post-renovation, the utility structure will remain the same. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the Virginia Housing Development Authority, effective January 1, 2020.

Unit Mix: The following table illustrates the Subject’s unit mix and size as provided by the developer. The unit mix will stay the same post-renovation.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Rentable Area
Studio/1BA	1	413	413
Studio/1BA	1	414	414
Studio/1BA	1	425	425
Studio/1BA	1	426	426
Studio/1BA	2	428	856
Studio/1BA	1	463	463
Studio/1BA	1	480	480
Studio/1BA	1	484	484
Studio/1BA	1	493	493
Studio/1BA (1BR)	14	429	6,006
Studio/1BA (1BR)	3	430	1,290
Studio/1BA (1BR)	2	495	990
Studio/1BA (1BR)	2	496	992
Studio/1BA (1BR)	1	526	526
Studio/1BA (1BR)	1	533	533
Studio/1BA (1BR)	2	550	1,101
Studio/1BA (1BR)	1	574	574
Studio/1BA (1BR)	3	623	1,870
Studio/1BA (1BR)	1	629	629
Studio/1BA (1BR)	1	689	689
1BR/1BA	12	380	4,560
1BR/1BA	3	456	1,368
1BR/1BA	3	462	1,387
1BR/1BA	1	469	469
1BR/1BA	1	473	473
1BR/1BA	1	476	476
1BR/1BA	1	486	486
1BR/1BA	1	488	488
1BR/1BA	2	490	979
1BR/1BA	1	495	495
1BR/1BA	3	507	1,522
1BR/1BA	1	508	508
1BR/1BA	1	518	518
1BR/1BA	1	521	521

UNIT MIX AND SQUARE FOOTAGE (CONTINUED)

Unit Type	Number of Units	Unit Size (SF)	Net Rentable Area
1BR/1BA	2	522	1,045
1BR/1BA	1	526	526
1BR/1BA	1	529	529
1BR/1BA	1	537	537
1BR/1BA	1	537	537
1BR/1BA	1	539	539
1BR/1BA	1	544	544
1BR/1BA	1	546	546
1BR/1BA	3	547	1,641
1BR/1BA	3	548	1,644
1BR/1BA	2	550	1,100
1BR/1BA	4	551	2,203
1BR/1BA	2	552	1,104
1BR/1BA	6	559	3,351
1BR/1BA	3	561	1,682
1BR/1BA	1	571	571
1BR/1BA	2	574	1,147
1BR/1BA	1	575	575
1BR/1BA	1	576	576
1BR/1BA	1	577	577
1BR/1BA	2	592	1,183
1BR/1BA	2	593	1,186
1BR/1BA	2	603	1,206
1BR/1BA	1	607	607
1BR/1BA	1	612	612
1BR/1BA	1	616	616
1BR/1BA	1	623	623
1BR/1BA	1	775	775
1BR/1BA	1	807	807
1BR/1BA	<u>1</u>	824	<u>824</u>
Total	125		63,855

NLA: Approximately 63,855 square feet as outlined in the previous table.

Unit Amenities: The Subject’s in-unit amenities include blinds, carpeting/vinyl flooring, central heating and air conditioning, coat closets, hand rails, and grab bars. Appliances include a disposal, oven, and refrigerator. Post-renovation, the Subject will also offer microwaves.

Common Amenities: The Subject’s common area amenities include a meeting room, community room, elevators, central laundry facilities, and on-site management. Post-renovation, the Subject will also offer a business center, fitness room, and free wireless internet in all units.

Parking: The Subject offers approximately 40 off-street parking spaces, or 0.3 spaces per unit. Post-renovation, the parking structure will remain the same. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation.

Number of Stories:	The property consists of one three-story, low-rise style elevator-serviced building (Phase I), a single-story building (Phase III), and one ancillary building.
Date of Construction:	Phase I was originally constructed 1860 and served as a hospital and barracks during the Civil War. Post-war, the building was known as the Richmond Almshouse and provided housing for the city's indigent, while Phase III was constructed in 1950 as an administrative building, before both were converted into apartments in the 1984. Phase I was renovated with LIHTC funding in 2000 and currently exhibits average condition. The Subject is proposed to be renovated with LIHTCs, with a 12-month renovation starting in July 2021, ending in June 2022.
Scope of Renovations:	The Subject is proposed for renovation with LIHTC equity. The hard construction renovation costs will be approximately \$6,061,391, or \$48,491 per unit. According to information provided by the developer, the Subject's scope of renovation will include, but will not be limited to: new flooring, new kitchen and bathroom cabinets, replacing all kitchen appliances, new entry doors, new Energy Star certified windows, drywall repairs, new kitchen and bathroom sinks, paint, new energy efficient lighting and updated light fixtures, new low flow toilets and faucets, replace HVAC system, new water heaters, new vertical blinds, and add microwaves. Exterior and common area upgrades will include replace or repair concrete sidewalks, repave and restripe parking areas, repair existing masonry, replace existing roof, new handrails, update finishes in elevator, relocated office and community room, add a business center and fitness room, convert existing office to TV area, new central fire alarm system, and new common area signage. The construction timeline is anticipated to be 12 months, starting in July 2021, with an anticipated completion date of June 2022.
Target Population and Occupancy Type:	The Subject will continue to be set-aside for one and two-person senior households 62 years and older. Based on the unit mix and proposed rent levels, the annual incomes will range from \$14,610 to \$42,960 for units at the 60 percent AMI. According to the most recent rent roll provided, dated August 24, 2020, the Subject was 98.4 percent occupied.
Americans with Disabilities Act of 1990:	We assume the property will not have any violations of the Americans with Disabilities Act of 1990.
Quality of Construction Condition and Deferred Maintenance:	The Subject appears to have been constructed using average-quality materials and the structure/units are in average to good condition and exhibit minimal deferred maintenance. Post renovation, the Subject will be in good condition with no deferred maintenance.
Functional Utility:	Based upon a site inspection of the Subject property, the units are functional and market-oriented.

Conclusion:

The Subject property is a 125-unit senior LIHTC/Section 8/market rate development in average condition and will be in good condition, post-rehabilitation. The Subject does not suffer from functional obsolescence and provides average to good utility for its intended use. The proposed renovations will enable the Subject to maintain and/or improve its competitive position in the market.

SHOCKOE HILL ELDERLY I AND III – RICHMOND, VIRGINIA – MARKET STUDY

PROPERTY PROFILE REPORT - POST REHAB

Shockoe Hill Elderly I And III

Comp #	Subject
Effective	5/16/2019
Location	212 Hospital Street Richmond City, VA 23219
Units	125
Vacant Units	2
Vacancy Rate	1.6%
Type	Lowrise (age-restricted) (3 stories)
Year Built / Renovated	1860/1974 /2000
Tenant Characteristics	Seniors 62+



Phase I



Phase III

Market

Program	LHHC/Section 8/Market	Leasing Pace	Less than one month
Annual Turnover Rate	18%	Change in Rent (Past Year)	None
Units/Month Absorbed	n/a	Concession	None
Section 8 Tenants	1%		

Utilities

A/C	included – central	Other Electric	included
Cooking	included – electric	Water	included
Water Heat	included – electric	Sewer	included
Heat	included – electric	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
0	1	Lowrise (3 stories)	41	449	\$939	\$0	@60% (Section 8)	Yes	0	0.0%	yes
1	1	Lowrise (1 story)	12	380	\$487	\$0	@60%	Yes	1	8.3%	no
1	1	Lowrise (3 stories)	72	550	\$1,006	\$0	@60% (Section 8)	Yes	1	1.4%	yes

Amenities

In-Unit	Blinds Carpeting Central A/C Oven Refrigerator	Security	Intercom (Buzzer) Limited Access Patrol Video Surveillance
Property	Business Center Community Room Elevators Fitness Room Central Laundry Off-Street Parking On-Site Management Wi-Fi	Premium	none
Services	none	Other	none

III. LOCATION, MARKET AREA DEFINITION & PROPERTY CHARACTERISTICS

LOCATION AND MARKET AREA DEFINITION

Primary Market Area

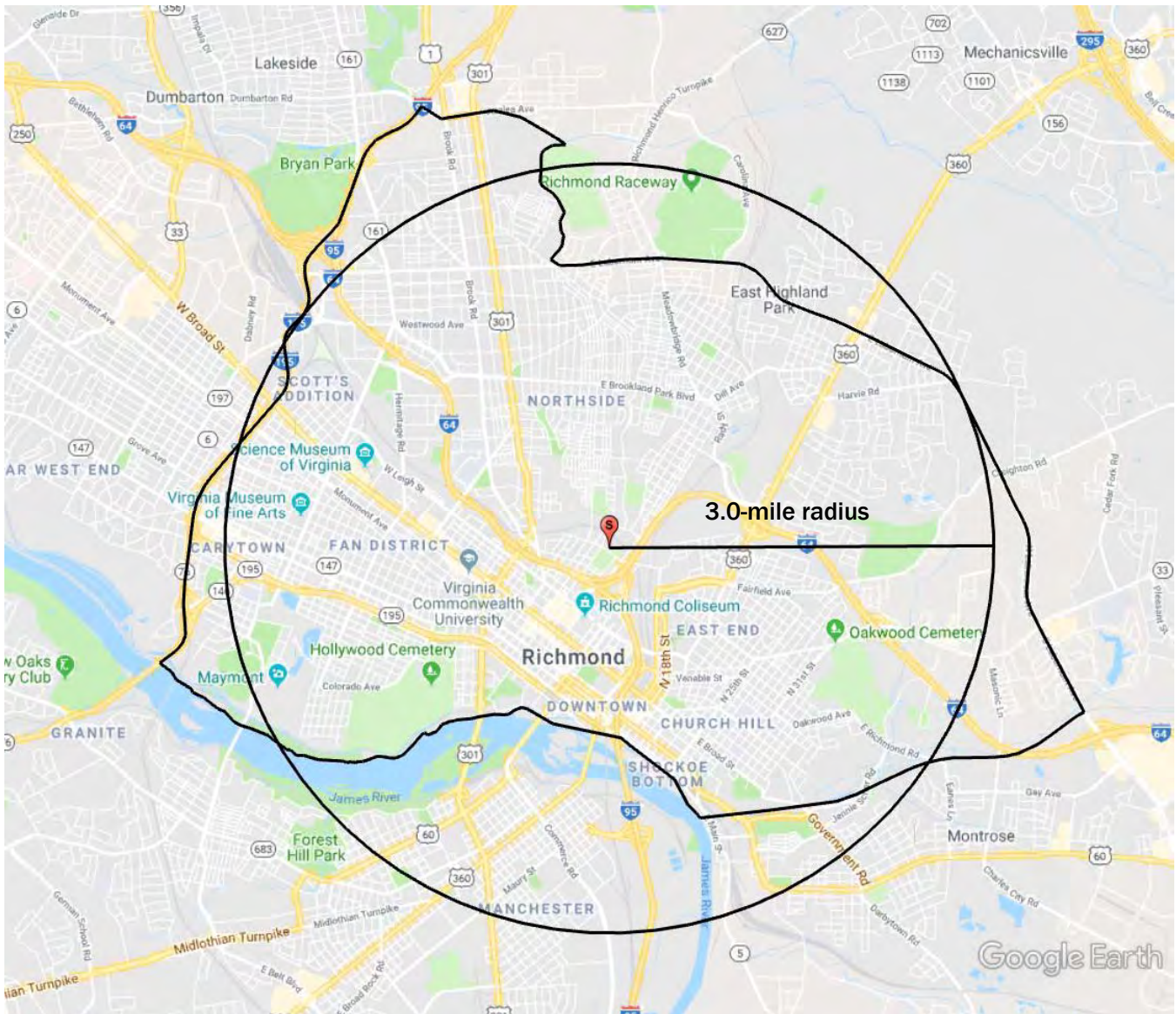
For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. Ninety percent of the Subject’s potential tenants are expected to hail from the PMA; however, demand estimates will not be adjusted to reflect the potential for “leakage,” as stated in the 2020 VHDA Market Study Guidelines.

The Subject property is located in Richmond, Virginia. The boundaries of the PMA are defined as Azalea Avenue to the north, Laburnum Avenue to the east, James River and railroad tracks to the south and Interstate 195 to the west. The PMA was determined based on input from area property managers, including the manager at the Subject property.

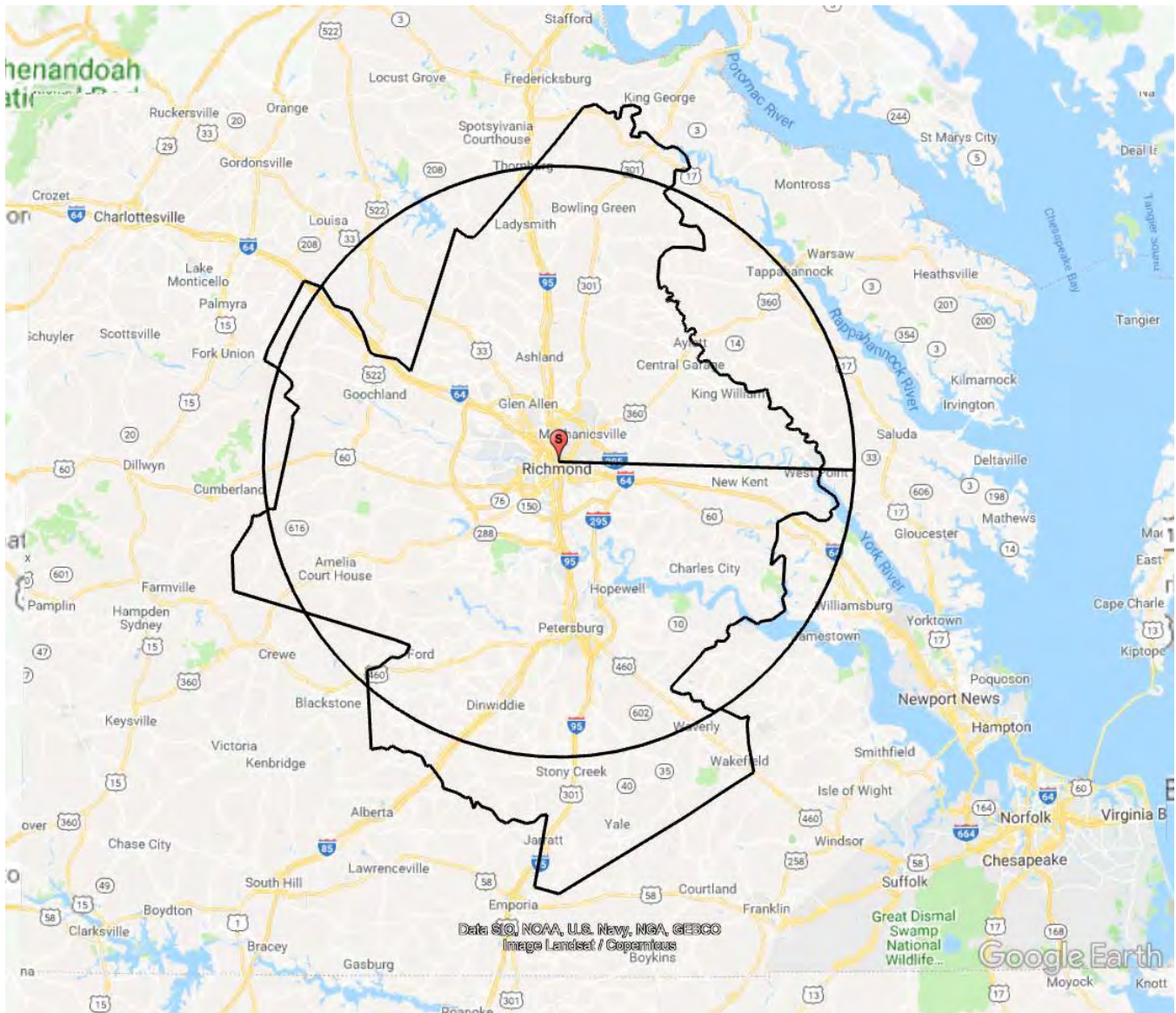
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Richmond, VA MSA and the Primary Market Area (PMA) are areas of growth or contraction. Maps outlining the general PMA boundaries as well as the SMA can be found on the following pages.

We have conservatively defined the PMA for a senior development (per specific VHDA guidance) and the secondary market area is simply presented as a source of comparison to the PMA.

Primary Market Area (PMA) Map



Secondary Market Area (SMA) Map



DESCRIPTION OF THE SITE

The location of an apartment community can have a substantial negative or positive impact upon the performance, safety and appeal of the property. The following site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow, etc.



Source: Google Maps, retrieved August 2020

- Size:** The Subject site consists of 3.74 acres, or 162,914 square feet.
- Shape:** The Subject parcel is irregular in shape.
- Frontage:** The Subject has frontage along the north side of Hospital Street and east side of North 2nd Street.
- Topography:** The site is generally level.

Utilities: All utilities are available to the site.

Visibility/Views: The Subject site offers good visibility from Hospital Street and limited visibility from North 2nd Street. Views to the north consist of a tree line followed by railroad tracks and industrial and commercial buildings in average condition. Views to the east and south consist of cemeteries. Views to the west consist of Shockoe Hill II, an age-restricted Section 8 multifamily development in average condition. Visibility is considered good while views are considered average.

Surrounding Uses: The Subject is located in a residential neighborhood consisting primarily of multifamily developments and few commercial uses. Areas to the north consist of Shockoe Hill Elderly II, a 64-unit age-restricted Section 8 development in average condition, as well as wooded land. Further north are railroad tracks and light industrial uses in average condition. To the east of the Subject is Hebrew Cemetery followed by Interstate 64. Land use to the south consists of Shockoe Hill Cemetery, followed by single-family homes in poor to fair condition, undeveloped land, a house of worship in average condition. Land use to the west consists of Public Housing Developments in average condition, including Frederic A. Fay Towers, a 200-unit senior multifamily development in average condition that has not been utilized as a comparable in this report due to the property being subsidized. Overall, the majority of surrounding land uses are in fair to average condition.

Access and Traffic Flow: Access to the site is available via the north side of Hospital Street, which is a lightly traveled neighborhood street that provides access to Interstate 64 and downtown Richmond, via North 5th Street, southwest of the Subject. Interstate 10 provides access to Norfolk to the southeast, as well as Interstate 95 and Charlottesville to the northwest. Interstate 95 provides access to Washington D.C., approximately 95 miles northeast of the Subject. Access is considered good, and traffic flow is considered moderate.

Layout and Curb Appeal: Based on our inspection, the Subject has a functional layout and average curb appeal.

The following table outlines various characteristics.

SUMMARY OF SUBJECT SITE	
Visibility	Excellent
Views	Average
Access/Traffic Flow	Moderate
Layout/Curb Appeal	Average

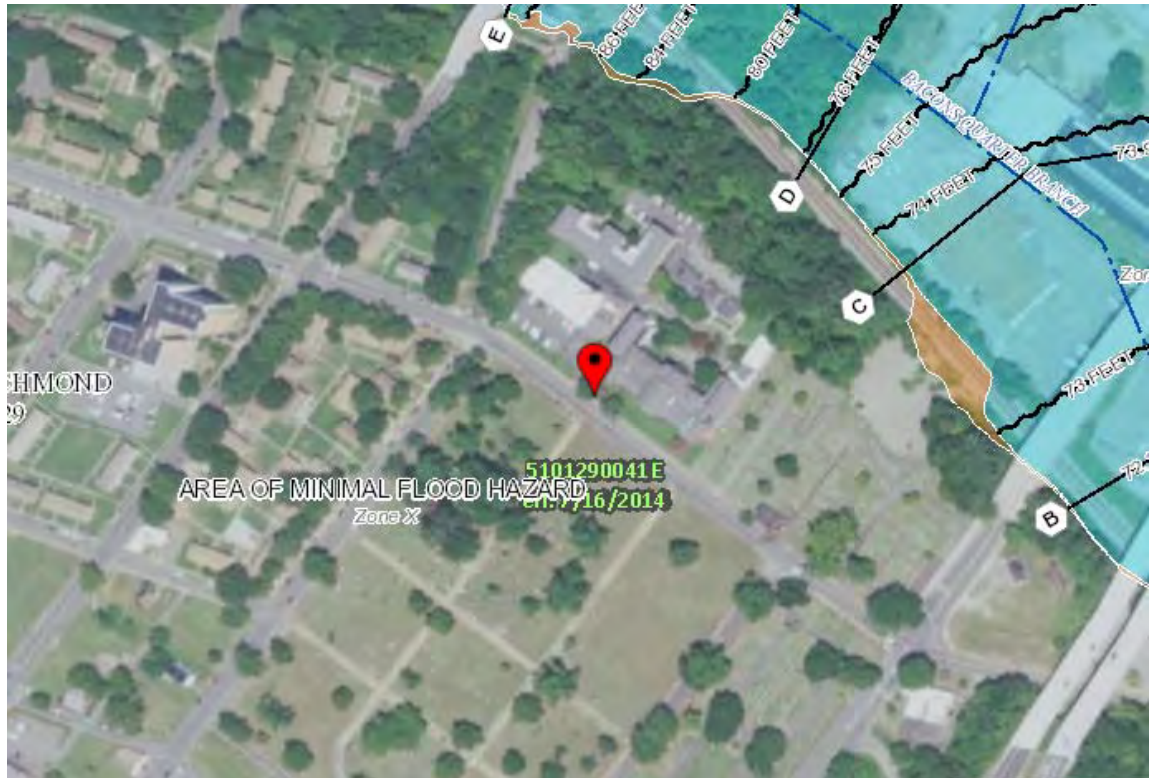
Drainage: Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

Soil and Subsoil Conditions: Novogradac did not perform any soil and subsoil tests upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Environmental Assessment: We were provided with the Phase I ESA prepared by EBI Consulting (EBI), dated November 14, 2018, which revealed the following environmental recommendations:

- EBI recommends that a geophysical survey, including a ground penetrating radar (GPR) survey and/or magnetometer survey, be conducted in order to determine whether any underground storage tank (UST) systems associated with the former on-site gasoline UST identified on the historical fire insurance maps remain on the Subject Property, south of the maintenance building. EBI additionally recommends that a limited subsurface investigation be conducted, in order to determine if the Subject Property has been adversely impacted.
- The vent pipe and fill port associated with the closed-in-place heating oil UST should be properly closed.
- Based on the pre-1978 construction date of the on-site buildings, per the HUD MAP GUIDE a pre-renovation asbestos survey is required to be completed prior to submittal to HUD.
- Once planned renovations are completed, a radon assessment will be required to be conducted in accordance with the American National Standards Institute document Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings (AARST/ANSI MAMF-2017) under the direct supervision of a radon professional credentialed by the National Radon Proficiency Program (NRPP).
- EBI recommends that the source of the moisture or water intrusion identified in the Garage building be repaired and that all water or suspected mold impacted materials be removed and replaced by a licensed contractor or properly trained staff.

Flood Plain: According to www.floodinsights.com, the Subject is located in Zone X (community map number 51087C, panel number 0145C, effective December 18, 2007) and is located outside the 100 and 500-year flood plains. Further analysis is beyond the scope of this market study and Novogradac Consulting LLP.



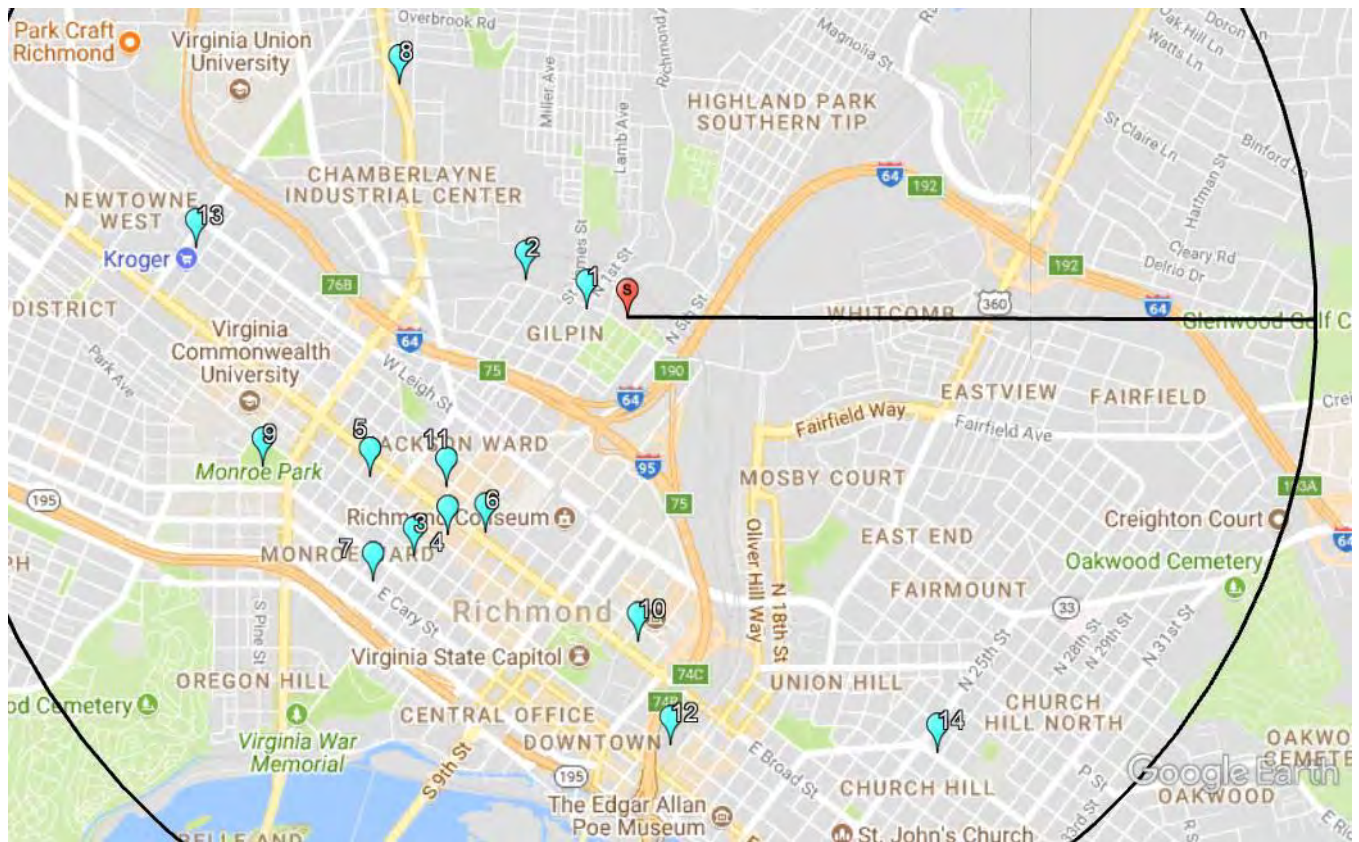
Source: www.floodinsights.com

Detrimental Influences:

The Subject is located approximately 400 feet from active railroad tracks. According to the crossing inventory report provided by the Federal Railroad Administration, there were nine crossings at the intersection of North 1st Street to the northwest of the Subject on August 28, 2018, which is the most recent data available. The presence of these do not appear to affect occupancy of residential development in the Subject's immediate neighborhood. Additionally, the noise produced from passing trains does not appear to affect the marketability of the Subject, nor the other multifamily housing in the Subject's neighborhood. According to the property manager of the Subject, the train is not noticeable from the Subject site, which was confirmed during our site inspection. As such, we do not believe the presence of railroad tracks within close proximity to the Subject site will impact the marketability of the Subject.

Proximity to Local Services

The Subject is located in close proximity to services including area retail, medical facilities, and schools. The distances of various services from the Subject and a map of the locations are provided following.



LOCATIONAL AMENITIES

Map #	Name	Service	Driving Distance
1	Bus Stop	Bus Stop	0.1 miles
2	Tiger Market	Grocery Store	0.3 miles
3	Richmond Public Library	Library	1.0 mile
4	Post Office	Post Office	1.1 miles
5	Richmond Police Headquarters	Police Department	1.1 miles
6	Walgreens	Pharmacy	1.1 miles
7	Senior Connections	Senior Services	1.2 miles
8	Shell	Gas Station	1.3 miles
9	Monroe Park	Park	1.5 miles
10	VCU Health West Hospital	Hospital	1.5 miles
11	Premier Bank Inc.	Bank	0.8 miles
12	Amtrak Station	Transportation	1.7 miles
13	Kroger	Grocery Store	1.8 miles
14	Linwood Robinson Senior Center	Senior Center	2.1 miles

Public Transportation

Richmond is served by the Greater Richmond Transit Company (GRTC). The GRTC provides public transportation in Richmond. GRTC Transit System operates 40 fixed-routes in Richmond seven days a week between the hours of 5:00 AM and 1:00 AM. One-way fares are \$1.50 for adults and \$0.75 for seniors over the age of 65, those with disabilities, Medicare recipients, and children ages six through 18. The 2A, 2B, and 2C routes serve the closest bus stop, which is located 0.1 miles west of the Subject.

Conclusion

The Subject is located in the Gilpin neighborhood, which is a mixed-use neighborhood in the central portion of Richmond. Access to public transportation, groceries, pharmacy, and shopping is convenient. The Subject's location is considered excellent. The neighborhood is well suited for this type of senior housing.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject Shockoe I building from Hospital Street looking north



Subject Shockoe I building from cemetery across Hospital Street looking north



Alternative view of Subject Shockoe I building from Hospital Street



Alternative view of Subject Shockoe I building from adjacent cemetery



Subject Shockoe I building from adjacent cemetery looking north



Subject Shockoe I building from site entrance



Rear of Subject Shockoe I building from site entrance



View of Subject Shockoe III building



Rear of Subject Shockoe III building



Alternative of View of Subject Shockoe III building



Alternative of View of Subject Shockoe III building



View of Shockoe II building (not part of Subject)



Alternative view of Shockoe II building (not part of Subject)



Entrance with Subject Shockoe I building on the right and utility building on the left



Adjacent vacant commercial building slated to be Subject community space



Alternative view of vacant commercial building on the left and utility building on the right



Subject entryway looking south (Shockoe I building to the left, utility building to the right)



Rear of Shockoe I building



Rear of Shockoe I building



Parking area behind Shockoe III building



Outdoor seating area



Mailbox area for Shockoe III building



Shockoe I building entrance area



Alternative view of Shockoe I building entrance area



Interior entrance area



Lobby area



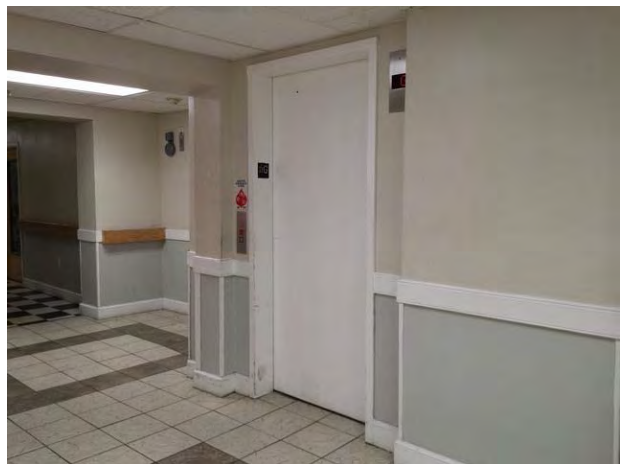
Mailbox area



Management office



Central laundry room



Elevator area



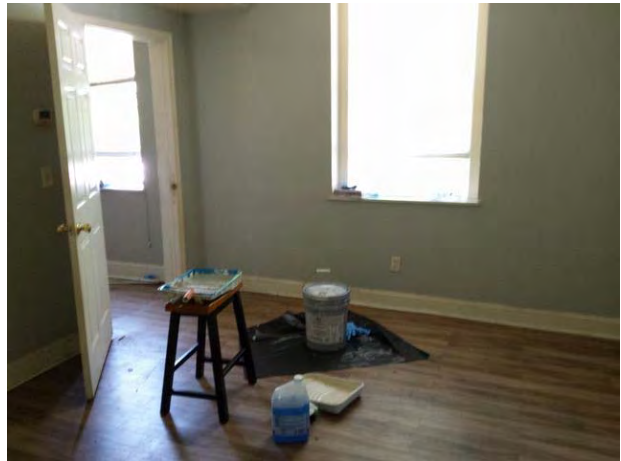
Interior stairway



Interior hallway



Typical living area – occupied unit



Typical living area – vacant unit



Typical kitchen – occupied unit



Typical kitchen – vacant unit



Typical bedroom – occupied unit



Typical bedroom – vacant unit



Typical bathroom – occupied unit



Typical bathroom – vacant unit



Interior of community building



Interior of community building



Interior of community building



Interior of community building



View along Hospital Street looking east



View along Hospital Street looking west



View of cemetery across Hospital Street from Subject



Alternative view of cemetery across Hospital Street from Subject



View of cemetery immediately east of Subject



View of cemetery immediately east of Subject (with Subject Shockoe I building in background)



Fey Towers senior public housing building to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Residential use (under rehabilitation) to the west of Subject along St. James Street



Residential uses west of Subject along East Charity Street



School to the west of Subject along West Charity Street



Park to the west of Subject along Calhoun Street



Convenience store to the west of Subject along East Hill Street



Railroad tracks to the north of Subject



Industrial uses to the north of Subject along Valley Road



Industrial uses to the north of Subject along Valley Road



Industrial uses to the east of Subject along Hospital Street beyond Interstate 64

Crime Risk

The following table shows crime statistics from 2019 for the Primary Market Area (PMA) and the MSA. A crime index below 100 is below the national average and anything over 100 is above the nation's crime index average. A crime index of 75 in a PMA would be 25 percent below the national average, while a crime rate of 200 would be twice that of the national average.

2019 CRIME INDICES		
	PMA	Richmond, VA MSA
Total Crime*	174	103
Personal Crime*	227	100
Murder	495	198
Rape	143	89
Robbery	333	124
Assault	180	88
Property Crime*	167	104
Burglary	151	89
Larceny	169	110
Motor Vehicle Theft	195	87

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

*Unweighted aggregations

As the above table indicates, total, personal, and property crime indices in the Subject's PMA are higher than those of the MSA and the nation. All crime indices in the PMA are above the national average. Observations of the PMA as well as the Subject's neighborhood, and interviews with market participants do not reflect significant local crime perceptions or problems. The Subject offers limited access with an intercom system, courtesy patrol, and video surveillance as security features, which will continue post-renovation. This is similar to superior to the comparables. In addition, the Subject's property manager reported that crime is not a major concern at the property.

IV. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The Greater Richmond metropolitan area has a strong and diverse economy that is concentrated within the manufacturing, finance/insurance, and information/technology sectors. The Virginia Bio-technology Research Park is located adjacent to the Virginia Commonwealth University (VCU) Medical Center and employs approximately 2,400 researchers, scientists, engineers and support personnel. Richmond is the headquarters of the Fifth Federal Reserve District, which is a financial hub for the mid-Atlantic region. Richmond is also the headquarters for GE Financial Assurance, Anthem Inc., Markel Corporation, and Land America Financial Group. Further, Richmond has attracted large customer service centers for companies like Capital One, Hewlett Packard, Owens & Minor, Mazda, and Time-Life. The Richmond economy benefits from its mid-Atlantic location.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Richmond, Virginia Metropolitan Statistical Area (MSA) and the nation from 2003 through 2020 year-to-date.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	554,715	-	4.0%	-	139,252,000	-	5.5%	-
2005	570,317	2.8%	3.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	586,083	2.8%	3.3%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	595,963	1.7%	3.1%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	603,549	1.3%	4.2%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	575,851	-4.6%	7.5%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	578,496	0.5%	8.0%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	590,551	2.1%	7.3%	-0.7%	139,869,000	0.6%	9.0%	-0.7%
2012	600,051	1.6%	6.6%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	607,785	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	618,505	1.8%	5.5%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	625,848	1.2%	4.7%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	636,273	1.7%	4.2%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	646,752	1.6%	3.9%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018	656,676	1.5%	3.2%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	668,525	1.8%	2.9%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	642,472	-3.9%	6.5%	3.6%	147,296,000	-6.5%	8.5%	4.8%
Jun-2019	669,276	-	3.1%	-	157,828,000	-	3.8%	-
Jun-2020	616,965	-7.8%	9.2%	6.1%	142,811,000	-9.5%	11.2%	7.4%

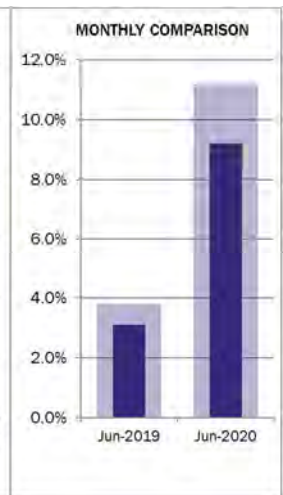
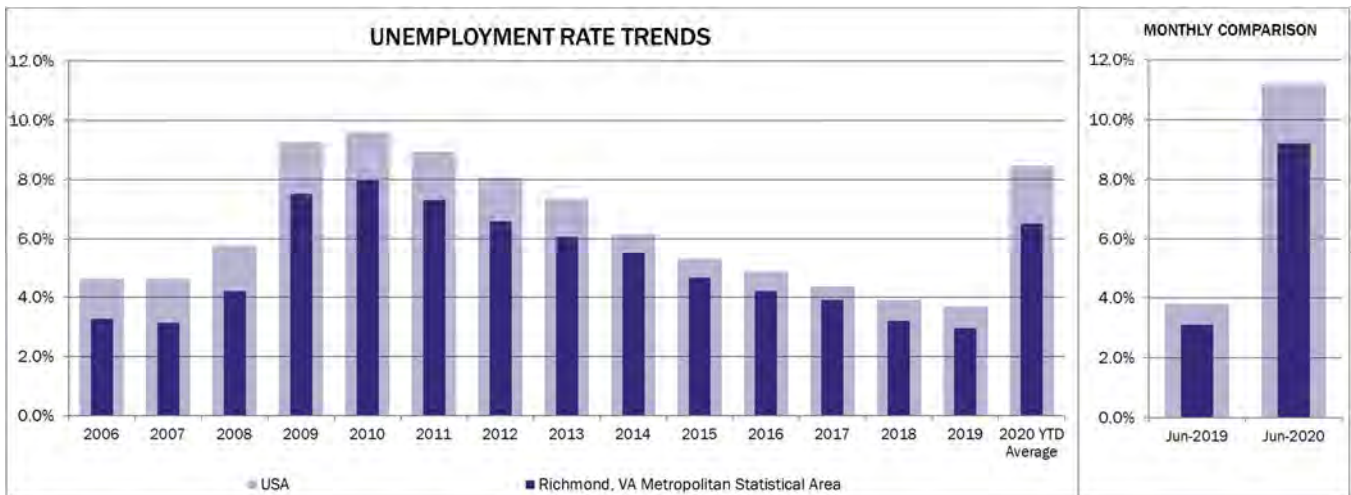
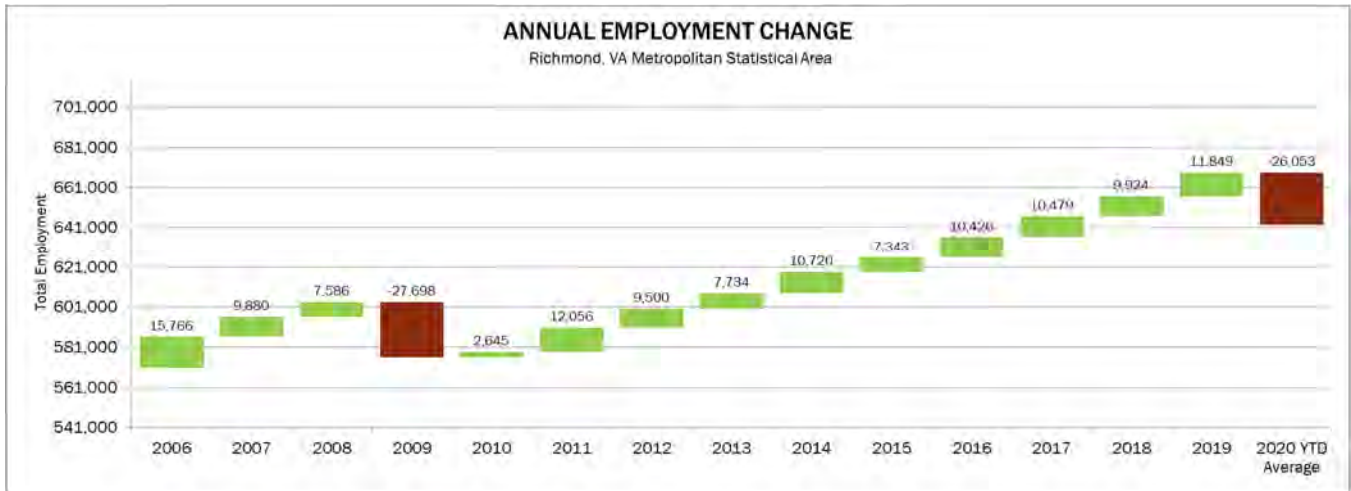
Source: U.S. Bureau of Labor Statistics, August 2020

*2020 data is through June

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in four of the five years between 2003 and 2007. Comparatively speaking, the MSA economy performed well during the recession. Total MSA employment contracted by only 4.2 percent (2008-2010), less than the 4.8 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. As of June 2020, MSA employment is below record levels, and declined 7.8 percent over the past year, compared to a 9.5 percent decline across the overall nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the MSA, which experienced a 0.5 percentage point increase in unemployment, compared to only a 0.3 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 9.2 percent, lower than the current national unemployment rate of 11.2 percent.

The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact. At this point it is unclear how the stimulus packages will blunt the impact from the emergency measures. Further, it is unclear as to how these measures will impact the housing market.



Employment by Industry

The following table depicts employment by industry in the Primary Market Area (PMA) and the nation.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	9,635	14.9%	22,612,482	14.1%
Educational Services	7,872	12.2%	14,565,802	9.1%
Retail Trade	6,771	10.5%	17,127,172	10.7%
Accommodation/Food Services	6,542	10.1%	11,738,765	7.3%
Prof/Scientific/Tech Services	6,445	10.0%	11,744,228	7.3%
Finance/Insurance	3,990	6.2%	7,377,311	4.6%
Public Administration	3,717	5.8%	7,828,907	4.9%
Other Services	3,433	5.3%	8,141,078	5.1%
Manufacturing	3,337	5.2%	16,057,876	10.0%
Admin/Support/Waste Mgmt Svcs	2,778	4.3%	6,106,184	3.8%
Transportation/Warehousing	2,505	3.9%	7,876,848	4.9%
Construction	1,813	2.8%	11,245,975	7.0%
Arts/Entertainment/Recreation	1,667	2.6%	3,332,132	2.1%
Real Estate/Rental/Leasing	1,189	1.8%	3,204,043	2.0%
Information	1,138	1.8%	3,157,650	2.0%
Wholesale Trade	1,057	1.6%	4,183,931	2.6%
Utilities	403	0.6%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	137	0.2%	1,915,709	1.2%
Mgmt of Companies/Enterprises	63	0.1%	237,307	0.1%
Mining	25	0.0%	819,151	0.5%
Total Employment	64,517	100.0%	160,548,951	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.6 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and prof/scientific/tech services industries. Conversely, the PMA is underrepresented in the manufacturing, construction, and transportation/warehousing industries.

Major Employers

The following table lists the major employers for Richmond, Virginia.

MAJOR EMPLOYERS - RICHMOND, VA

Employer Name	Industry	# of Employees
Capital One Financial Corp.	Finance	13,000
Virginia Commonwealth University Health System	Healthcare	9,313
HCA Virginia Health System	Healthcare	7,628
Bon Secours Richmond	Healthcare	7,136
Dominion Virginia Power	Utilities	5,433
Amazon.com	Online Retail	3,950
SunTrust Banks Inc.	Finance	3,810
Altria Group Inc.	Producing, Marketing	3,800
Wells Fargo	Finance	2,902
Anthem Blue Cross and Blue Shield	Insurance	2,655
United Parcel Service	Package Distribution	2,490
DuPont	Conglomerate	2,436
Bank of America	Finance	1,921
Federal Reserve Bank of Richmond	Finance	1,886
Markel Corporation	Insurance	1,842
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578
General Dynamics Corp.	Call Center	1,450
CarMax Inc.	Auto Sales	1,306
Southside Regional Medical	Healthcare	1,280
AdvanSix	Manufacturing	1,269
Estes Express Lines	Trucking, Air Freight	1,102
Genworth Financial Inc.	Insurance	1,113
Kings Dominion	Entertainment	1,000

Source: Greater Richmond Partnership, August 2020

Richmond's largest employers are primarily in the finance and healthcare sectors. Employers in the finance or healthcare sector make up six of the top ten largest employers in Richmond, and are the top two largest employers.

Employment Contraction

We spoke with Chuck Peterson, Tong Su, and Marissa Parker with the Department of Economic Development in regards to economic development in Richmond. According to Mr. Peterson, there are several areas in Richmond that are the focus of economic development, primarily through adaptive re-use projects. The following business expansions details were provided.

NEW/EXPANDING BUSINESSES IN RICHMOND

Company	Type	Date Announced	New or Expansion	New Jobs
T-Mobile USA, Inc.	Telecommunications	05/13/2020	Expansion	500
SimpliSafe	Security	02/27/2019	New	572
Wegmans	Retail/Grocery	12/11/2019	New	700
Carvana	Retail	12/05/2019	New	400
WiPro Technologies	Cybersecurity	10/2/2019	Expansion	200
G.D. USA	Manufacturing	04/01/2019	Expansion	100
The Results Companies	Telecommunications	03/04/2019	Expansion	600
Total				3,072

- The Scott's Addition neighborhood is an industrial area in Richmond that is being redeveloped into a mixed-use neighborhood consisting of small local business, over 20 restaurants, and 13 breweries/distilleries, as well as multifamily development targeting young professionals. According to Mr. Peterson, the Scott's Addition neighborhood has added over 3,500 residents in the past seven years and continues to grow.
- The 1717 Innovation Center is a nonprofit organization/workspace located in the Shockoe Bottom neighborhood, created by Capital One with a \$150 million investment. The center opened in early 2018, with a focus on providing entrepreneurs with a hub for resources to help grow small businesses.

Further, we researched the Richmond Economic Development Authority website and various online articles for additional expansions in the region. Our findings are detailed below.

- The Greater Richmond Transit Company (GRTC) recently completed construction of the GRT Pulse in 2018, a high capacity rapid transit system that services a 7.6-mile route along Broad Street and Main Street, from Rocketts Landing to Willow Lawn in Henrico County. The project is projected to expand to an additional 500 new daily riders, and to increase bus efficiency by 63 percent. Bus fares will remain stable and the hours of operation will be from 5:30 am to 11:30 pm.
- A key development project of the Richmond EDA, The Bon Secours Washington Football Team Training Center set a new standard for NFL summer training camp's facilities. Designed especially for the Washington Football Team, the center's facilities are state-of-the-art in every way and include two natural grass football fields that are put to the test during the three-week training period. The Redskins broke the NFL record for training camp attendance in its first year (2019), with more than 165,000 fans enjoying the facility and festivities.
- Dominion Virginia Power, a utilities provider, is planning to develop three large-scale solar projects, totaling 400 megawatts of electricity. The project is projected to be completed and operational by 2022. Combined, these solar facilities will power 100,000 households. The construction for this project will create 960 full and part-time jobs and provide a \$74 million economic investment.
- In October 2019, Amazon opened new fulfillment center in Richmond. The new fulfillment center added 150 new jobs to the area.

- Wine & Beer Supply expanded their headquarters in Greater Richmond in November 2019 from a 54,000-square foot space to a 152,000 square foot space.
- In July 2019, CoStar announced it will offer 100 new sales jobs at its Richmond location, raising its local headcount to 950 employees.
- Paymerang, a financial services technology firm, expanded its office from 10,000 square feet to 16,000 square feet in July 2019. Paymerang hired 100 additional employees at the end of 2019.
- The Virginia Commonwealth University received \$121 million in funding for a new 168,000-square foot, six-story building dedicated to STEM education. Construction began in spring 2020.
- In May 2019, Risk Based Security, a cybersecurity firm, announced it is opening its first office space at a 4,200-square foot location in Richmond. The firm employs around 30 employees.
- Drury Hotels Co. opened a hotel in Richmond in August 2019. The hotel is eight-stories and has 217-rooms. The hotel employs 55 full and part-time employees.
- HOUSEpitality Family restaurant group announced in August 2019 it will be hiring 250 new employees

The Worker Adjustment and Retraining Notification Act (WARN) provides protection to workers, their families, and communities by requiring employers to provide notification 60 calendar days in advance of plant closings and mass layoffs. We utilized the Virginia Employment Commission to obtain WARN notices. The following table illustrates the WARN notices for 2020 year-to-date for Richmond.

WARN LISTINGS

RICHMOND, VA

Company	Industry	Employees Affected	Notice Date
ExpressJet Airlines LLC	Aviation	36	7/17/2020
Delaware North Companies, Inc.	Aviation	80	6/30/2020
Nordstrom	Retail	189	5/12/2020
Cenveo Corporation	Communications	184	5/4/2020
Bloomin's Brands (Outback Steakhouse)	Food Service	326	4/27/2020
Bloomin' Brands (Fleming's)	Food Service	40	4/27/2020
Bloomin' Brands (Carrabba's Italian Grill)	Food Service	115	4/27/2020
Hilton Richmond Downtown	Hospitality	109	4/24/2020
Enterprise Holdings	Hospitality	78	4/24/2020
Eastern Specialty Finance, Inc.	Finance	4	4/21/2020
Kaiser Aluminum	Manufacturing	78	4/8/2020
Bear Down Logistics	Transportation	75	4/6/2020
Asbury Automotive Group-Richmond BMW	Automotive	11	4/3/2020
Asbury Automotive Group-Crown Acura	Automotive	8	4/3/2020
Asbury Automotive Group-Crown MINI	Automotive	6	4/3/2020
Jim's Formal Wear	Other Services	44	3/31/2020
First Home Care Mental Health Services	Healthcare	18	3/30/2020
Paper Source	Manufacturing	11	3/27/2020
Hooters of America, LLC	Food Service	56	3/23/2020
Take 5 Oil Change-Driven Brands Shared Services, LLC	Automotive	5	3/23/2020
Collegiate Hotel Group	Hospitality	66	3/23/2020
Three Notch'd Brewing Company	Food Service	9	3/17/2020
The Salvation Army	Other Services	38	3/9/2020
Aramark (at VCU Health Systems)	Food Service	572	1/13/2020
Total		2,158	

Source: Virginia Employment Commission, August 2020

As illustrated in the previous table, the area has been significantly impacted by COVID-19 and many companies in Richmond announced layoffs and closures. These layoffs totaled to 2,158 affected employees.

Wages by Occupation

The following table illustrates the mean hourly and annual wages for various occupations in the Richmond, VA MSA; information at the PMA level was not available.

RICHMOND, VA MSA - 2ND QTR 2018 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	656,320	\$25.30	\$52,620
Management Occupations	28,220	\$62.64	\$130,290
Legal Occupations	6,500	\$48.09	\$100,020
Computer and Mathematical Occupations	23,880	\$44.17	\$91,870
Healthcare Practitioners and Technical Occupations	41,890	\$41.25	\$85,800
Architecture and Engineering Occupations	9,150	\$41.03	\$85,350
Business and Financial Operations Occupations	49,890	\$37.49	\$77,980
Life, Physical, and Social Science Occupations	5,880	\$33.31	\$69,280
Arts, Design, Entertainment, Sports, and Media Occupations	8,400	\$26.23	\$54,550
Educational Instruction and Library Occupations	36,830	\$26.05	\$54,180
Installation, Maintenance, and Repair Occupations	26,770	\$24.71	\$51,410
Community and Social Service Occupations	12,990	\$22.97	\$47,780
Construction and Extraction Occupations	30,070	\$21.77	\$45,280
Protective Service Occupations	18,070	\$21.20	\$44,090
Sales and Related Occupations	67,630	\$20.34	\$42,310
Office and Administrative Support Occupations	91,930	\$19.54	\$40,640
Production Occupations	28,560	\$19.32	\$40,190
Farming, Fishing, and Forestry Occupations	580	\$18.12	\$37,690
Transportation and Material Moving Occupations	56,270	\$16.55	\$34,420
Personal Care and Service Occupations	15,160	\$14.87	\$30,940
Healthcare Support Occupations	24,680	\$13.92	\$28,950
Building and Grounds Cleaning and Maintenance Occupations	19,960	\$13.48	\$28,040
Food Preparation and Serving Related Occupations	53,010	\$11.53	\$23,970

Source: Department Of Labor, Occupational Employment Statistics, May 2018, retrieved August 2020

The previous chart illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving-related occupations at \$11.53 per hour. Those in management occupations obtained the highest average hourly wage of \$62.64. Utilizing the average wage of the food preparation and serving-related occupations at \$11.53 per hour at 2,080 annual hours equates to \$23,982. The qualifying incomes for the Subject's units as proposed will range from \$14,610 to \$42,960. The upper end of the qualifying income is \$42,960, which corresponds to an approximate hourly wage rate of \$20.65 and is below the mean hourly and mean annual wage in the MSA.

An element not reflected in the wage rate data is that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates. Household income data shown later in this report demonstrates a significant number of households within the region have earnings of less than \$30,000. It should be noted that as an age-restricted development, tenants may be retirees or have part-time employment.

Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	972	1.8%
Travel Time 5-9 min	5,620	10.2%
Travel Time 10-14 min	10,173	18.5%
Travel Time 15-19 min	11,198	20.4%
Travel Time 20-24 min	11,643	21.2%
Travel Time 25-29 min	3,613	6.6%
Travel Time 30-34 min	5,695	10.4%
Travel Time 35-39 min	988	1.8%
Travel Time 40-44 min	932	1.7%
Travel Time 45-59 min	1,709	3.1%
Travel Time 60-89 min	1,501	2.7%
Travel Time 90+ min	968	1.8%
Weighted Average	23 minutes	

Source: US Census 2018, Novogradac Consulting LLP, August 2020

As shown in the preceding table, the weighted average commute time in the PMA is approximately 23 minutes. More than 71 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, educational services, and retail trade industries, which collectively comprise 37.6 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 4.2 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. As of June 2020, MSA employment is below record levels, and declined 7.8 percent over the past year, compared to a 9.5 percent decline across the overall nation. The unemployment rate increased in early 2020 as a result of the COVID-19 pandemic. Historically, the local economy has shown resilience in the form of consistent employment growth, but the response to COVID-19 has yet to be planned or implemented.

V. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

Population and Household Trends

The tables below illustrate population and household trends in the PMA, MSA, and nation from 2000 through 2024. It should be noted that the current year’s estimates were not available at the time of the report.

POPULATION

Year	PMA		Richmond, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	108,669	-	1,070,616	-	281,250,431	-
2010	113,137	0.4%	1,208,101	1.3%	308,745,538	1.0%
2019	128,037	1.4%	1,320,715	1.0%	332,417,793	0.8%
2024	135,197	1.1%	1,386,149	1.0%	345,487,602	0.8%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Historical population growth in the PMA trailed the MSA between 2000 and 2010. However, population growth in the broader MSA exceeded the nation during the same time period. Population growth in the PMA accelerated between 2010 and 2019, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to 1.1 percent through 2024, similar to the MSA and above the overall nation.

HOUSEHOLDS

Year	PMA		Richmond, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	46,127	-	421,898	-	105,409,439	-
2010	49,227	0.7%	468,501	1.1%	116,716,296	1.1%
2019	56,349	1.6%	511,251	1.0%	125,168,557	0.8%
2024	59,736	1.2%	535,777	1.0%	129,589,563	0.7%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Household growth in the PMA accelerated between 2010 and 2019, and grew at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to 1.2 percent through 2024, slightly above the MSA and above the overall nation.

Average Household Size

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2024.

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.23	-	2.46	-	2.59	-
2010	2.11	-0.6%	2.49	0.1%	2.58	-0.1%
2019	2.11	0.0%	2.52	0.1%	2.59	0.1%
2024	2.11	0.0%	2.52	0.1%	2.60	0.1%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2024.

Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject’s PMA.

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,000	41.2%	27,127	58.8%
2010	18,833	38.3%	30,394	61.7%
2019	20,385	36.2%	35,964	63.8%
2024	21,839	36.6%	37,897	63.4%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2010 and 2019, and is estimated to be 63.8 percent as of 2019. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2024.

Renter Household Size Distribution

The following table illustrates the breakdown of renter households by number of persons in the household within the Subject’s PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2019		2024	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	18,225	39.5%	23,064	40.9%	24,566	41.1%
2 persons	14,086	30.5%	18,072	32.1%	19,104	32.0%
3 persons	6,772	14.7%	7,711	13.7%	8,110	13.6%
4 persons	3,860	8.4%	4,244	7.5%	4,500	7.5%
5+ persons	3,184	6.9%	3,258	5.8%	3,456	5.8%
Total	46,127	100.0%	56,349	100.0%	59,736	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target one and two-person households. Through 2024, the number of one and two-person renter households is projected to remain stable. The projected household size composition of renter households in the PMA is a positive indicator for the Subject’s units.

Median Household Income Levels

The table below illustrates median household income levels in the PMA, MSA, and nation from 2018 through 2024.

MEDIAN HOUSEHOLD INCOME

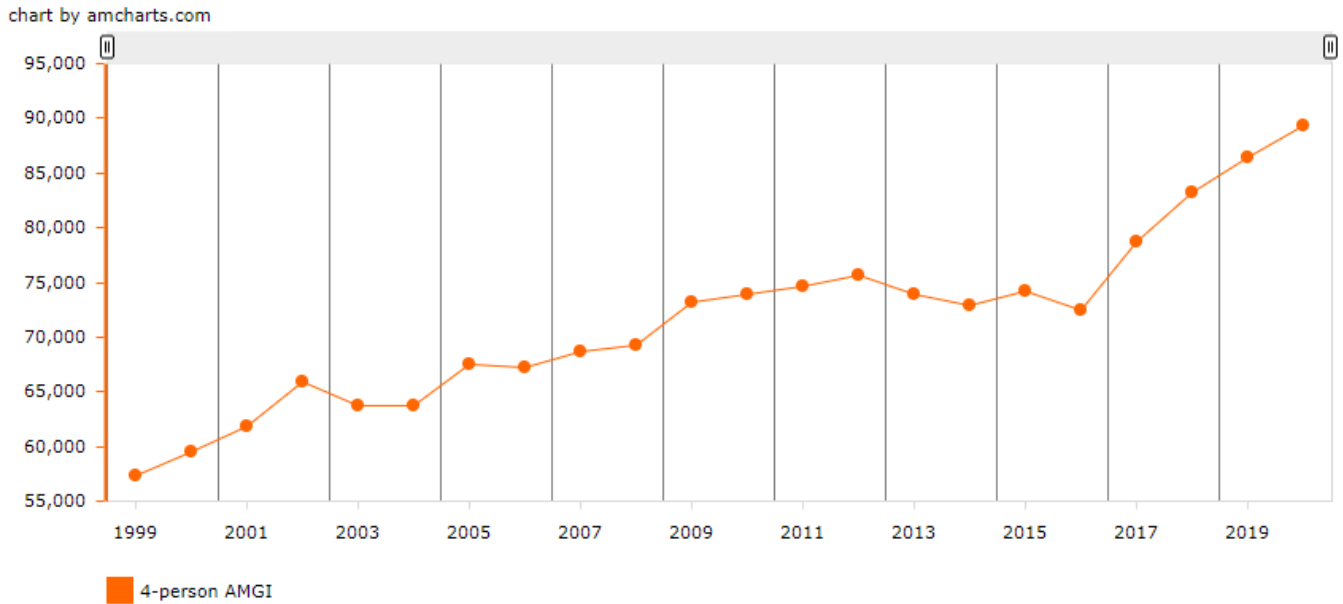
Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$24,521	-	\$42,801	-	\$44,882	-
2019	\$44,095	4.1%	\$67,972	3.1%	\$60,548	1.8%
2024	\$50,398	2.9%	\$76,798	2.6%	\$69,180	2.9%

Source: ESRI Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2019. Income growth in both geographic areas exceeded the overall nation during this time period. In particular, median income in the PMA rose from 55 percent of the national median income in 2000 to 73 percent in 2019. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.9 percent through 2024, slightly above the MSA and similar to the overall nation.

Area Household Income Levels

The following chart illustrates the area median gross income (AMGI) of a four-person household in the Richmond, VA MSA between 1999 and 2020.



Average Increase (AMGI): 2.1%/year

Source: Novogradac Consulting LLP, August 2020

Overall, the AMI has increased by an average of 2.1 percent annually between 1999 and 2020. The chart above illustrates that the AMI in Richmond has generally increased since 1999, with decreases in 2003, 2006, 2013, 2014, and 2016. As of 2020, the AMI in Richmond is \$89,400. In 2013, the AMI declined in 84 percent of counties nationwide based on a HUD methodological change. Richmond was affected by this methodology change. The Subject’s proposed rents are set at or below the 2020 maximum allowable levels; therefore, rent increases will be dependent on AMI growth. The majority of counties and regions in the nation are currently experiencing their highest AMI levels to date, which is also true for Richmond.

Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2019 and 2024.

HOUSEHOLD INCOME PMA

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,189	14.5%	7,929	13.3%	-52	-0.6%
\$10,000-19,999	7,594	13.5%	7,462	12.5%	-26	-0.3%
\$20,000-29,999	5,968	10.6%	5,981	10.0%	3	0.0%
\$30,000-39,999	5,827	10.3%	5,654	9.5%	-35	-0.6%
\$40,000-49,999	5,226	9.3%	5,376	9.0%	30	0.6%
\$50,000-59,999	4,396	7.8%	4,566	7.6%	34	0.8%
\$60,000-74,999	4,703	8.3%	5,356	9.0%	131	2.8%
\$75,000-99,999	5,118	9.1%	5,655	9.5%	107	2.1%
\$100,000-124,999	3,331	5.9%	3,857	6.5%	105	3.2%
\$125,000-149,999	1,812	3.2%	2,388	4.0%	115	6.4%
\$150,000-199,999	1,792	3.2%	2,294	3.8%	100	5.6%
\$200,000+	2,393	4.2%	3,218	5.4%	165	6.9%
Total	56,349	100.0%	59,736	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

HOUSEHOLD INCOME MSA

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	31,758	6.2%	30,958	5.8%	-160	-0.5%
\$10,000-19,999	42,524	8.3%	41,148	7.7%	-275	-0.6%
\$20,000-29,999	44,181	8.6%	42,987	8.0%	-239	-0.5%
\$30,000-39,999	44,930	8.8%	44,232	8.3%	-140	-0.3%
\$40,000-49,999	44,967	8.8%	44,249	8.3%	-144	-0.3%
\$50,000-59,999	41,602	8.1%	41,914	7.8%	62	0.1%
\$60,000-74,999	52,610	10.3%	54,569	10.2%	392	0.7%
\$75,000-99,999	65,910	12.9%	69,153	12.9%	649	1.0%
\$100,000-124,999	48,468	9.5%	52,438	9.8%	794	1.6%
\$125,000-149,999	31,885	6.2%	36,537	6.8%	930	2.9%
\$150,000-199,999	30,549	6.0%	36,406	6.8%	1,171	3.8%
\$200,000+	31,867	6.2%	41,186	7.7%	1,864	5.8%
Total	511,251	100.0%	535,777	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, approximately 38.6 percent of households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income households earning less than \$30,000 annually is projected to decline slightly to 35.8 percent.

Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2019 and 2024.

RENTER HOUSEHOLD INCOME

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,198	20.0%	6,993	18.5%	-41	-0.6%
\$10,000-19,999	5,994	16.7%	5,863	15.5%	-26	-0.4%
\$20,000-29,999	4,225	11.7%	4,244	11.2%	4	0.1%
\$30,000-39,999	4,039	11.2%	3,840	10.1%	-40	-1.0%
\$40,000-49,999	3,334	9.3%	3,370	8.9%	7	0.2%
\$50,000-59,999	2,755	7.7%	2,923	7.7%	34	1.2%
\$60,000-74,999	2,579	7.2%	3,061	8.1%	96	3.7%
\$75,000-99,999	2,386	6.6%	2,784	7.3%	80	3.3%
\$100,000-124,999	1,230	3.4%	1,543	4.1%	63	5.1%
\$125,000-149,999	737	2.0%	1,078	2.8%	68	9.3%
\$150,000-199,999	675	1.9%	964	2.5%	58	8.6%
\$200,000+	812	2.3%	1,234	3.3%	84	10.4%
Total	35,964	100.0%	37,897	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

RENTER HOUSEHOLD INCOME

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	21,275	12.2%	20,499	11.5%	-155	-0.7%
\$10,000-19,999	23,689	13.5%	22,614	12.6%	-215	-0.9%
\$20,000-29,999	22,701	13.0%	21,592	12.1%	-222	-1.0%
\$30,000-39,999	21,638	12.4%	20,754	11.6%	-177	-0.8%
\$40,000-49,999	19,733	11.3%	19,349	10.8%	-77	-0.4%
\$50,000-59,999	15,602	8.9%	15,874	8.9%	54	0.3%
\$60,000-74,999	16,085	9.2%	17,273	9.7%	238	1.5%
\$75,000-99,999	14,380	8.2%	15,754	8.8%	275	1.9%
\$100,000-124,999	7,058	4.0%	8,118	4.5%	212	3.0%
\$125,000-149,999	4,985	2.8%	6,278	3.5%	259	5.2%
\$150,000-199,999	4,058	2.3%	5,276	2.9%	244	6.0%
\$200,000+	3,849	2.2%	5,531	3.1%	336	8.7%
Total	175,053	100.0%	178,912	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, approximately 48.4 percent of households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income households earning less than \$30,000 annually is projected to decline slightly to 45.1 percent.

SENIOR DEMOGRAPHICS

The Subject will continue to be age restricted to seniors 62 years and older; thus, we have illustrated demographic data for seniors 62 years and older in the following tables.

Senior Population and Household Trends (62+)

The following tables illustrate senior population and households in the PMA, the MSA and the nation from 2000 through 2024.

POPULATION 62+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	15,845	-	157,214	-	41,437,099	-
2010	15,904	0.0%	186,038	1.8%	50,358,738	2.2%
2019	22,124	4.2%	263,612	4.5%	67,157,021	3.6%
2024	25,482	3.0%	308,723	3.4%	76,741,608	2.9%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

HOUSEHOLDS 62+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	11,307	-	94,582	-	26,185,025	-
2010	11,724	0.4%	118,337	2.5%	30,451,595	1.6%
2019	14,022	2.1%	153,675	3.2%	38,511,965	2.9%
2024	17,032	4.3%	179,985	3.4%	43,436,515	2.6%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Although PMA growth also trended below the nation, household growth in the broader MSA exceeded the nation during the same time period. Household growth in the PMA increased significantly between 2010 and 2019, however, grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to increase significantly to 4.3 percent through 2024, which is above projected growth in the MSA and nation.

Senior Household Tenure (62+)

The following table illustrates the breakdown of senior households by tenure within the Subject's PMA.

TENURE PATTERNS PMA 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	6,671	59.0%	4,636	41.0%
2019	7,457	53.2%	6,565	46.8%
2024	8,847	51.9%	8,185	48.1%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, approximately 46.8 of senior households in the PMA reside in renter-occupied housing units. Through 2024, the percentage of senior renter-occupied housing units is projected to remain relatively stable, while the number of senior renter-occupied housing units is projected to increase.

Senior Renter Household Size Distribution (62+)

The following table illustrates the breakdown of senior renter households by number of persons in the household within the Subject’s PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION 62+

Household Size	2019		2024	
	Total Households	Percent	Total Households	Percent
1 persons	6,023	53.3%	7,541	54.1%
2 persons	3,214	28.4%	4,046	28.6%
3 persons	1,045	9.2%	1,218	8.7%
4 persons	550	4.9%	671	5.0%
5+ persons	475	4.2%	546	3.7%
Total	11,307	100.0%	14,022	100.0%

Source: Esri Demographics 2018, Novogradac Consulting LLP, August 2020

Through 2024, the number of one and two-person senior households is projected to increase slightly. The projected household size composition of senior renter households in the PMA is a positive indicator for the Subject’s units.

Senior Household Income Distribution (62+)

The following tables illustrate the senior household income distribution for the PMA and MSA for 2019 and 2024.

HOUSEHOLD INCOME PMA 62+

Income Cohort	PMA				Annual Change 2019 to 2024	
	2019		2024		Number	Percentage
	Number	Percentage	Number	Percentage		
\$0-9,999	1,616	11.5%	1,855	10.9%	48	3.0%
\$10,000-19,999	2,531	18.1%	2,859	16.8%	66	2.6%
\$20,000-29,999	1,853	13.2%	2,143	12.6%	58	3.1%
\$30,000-39,999	1,634	11.7%	1,839	10.8%	41	2.5%
\$40,000-49,999	1,226	8.7%	1,519	8.9%	59	4.8%
\$50,000-59,999	943	6.7%	1,138	6.7%	39	4.1%
\$60,000-74,999	1,109	7.9%	1,433	8.4%	65	5.8%
\$75,000-99,999	1,044	7.4%	1,317	7.7%	55	5.2%
\$100,000-124,999	682	4.9%	896	5.3%	43	6.3%
\$125,000-149,999	271	1.9%	421	2.5%	30	11.1%
\$150,000-199,999	482	3.4%	700	4.1%	44	9.0%
\$200,000+	631	4.5%	912	5.4%	56	8.9%
Total	14,022	100.0%	17,032	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

HOUSEHOLD INCOME MSA 62+

Income Cohort	2019		MSA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,967	5.8%	8,803	5.9%	8,074	6.1%		
\$10,000-19,999	20,275	13.2%	20,028	13.4%	18,927	14.4%		
\$20,000-29,999	19,100	12.4%	18,828	12.6%	17,617	13.4%		
\$30,000-39,999	16,082	10.5%	15,751	10.5%	14,277	10.8%		
\$40,000-49,999	14,402	9.4%	14,043	9.4%	12,443	9.4%		
\$50,000-59,999	12,944	8.4%	12,622	8.4%	11,186	8.5%		
\$60,000-74,999	15,079	9.8%	14,630	9.8%	12,632	9.6%		
\$75,000-99,999	16,172	10.5%	15,590	10.4%	12,999	9.9%		
\$100,000-124,999	10,849	7.1%	10,437	7.0%	8,600	6.5%		
\$125,000-149,999	6,871	4.5%	6,569	4.4%	5,223	4.0%		
\$150,000-199,999	5,683	3.7%	5,409	3.6%	4,186	3.2%		
\$200,000+	7,251	4.7%	6,967	4.7%	5,703	4.3%		
Total	153,675	100.0%	149,677	100.0%	131,867	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, approximately 42.8 percent of senior households within the PMA have annual incomes below \$30,000, which is a higher percentage than the general population. Through 2024, the percentage of senior low-income households is projected to decline slightly; however, 40.3 percent of senior households within the PMA will earn less than \$30,000 annually. This projected trend illustrates a continued need for additional senior affordable housing options within the area.

Senior Renter Household Income Distribution (62+)

The following tables illustrate the senior renter household income distribution for the PMA and MSA for 2019 and 2024.

RENTER HOUSEHOLD INCOME 62+

Income Cohort	2019		PMA		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,095	16.7%	1,313	16.0%	44	4.0%		
\$10,000-19,999	1,404	21.4%	1,628	19.9%	45	3.2%		
\$20,000-29,999	864	13.2%	1,053	12.9%	38	4.4%		
\$30,000-39,999	637	9.7%	701	8.6%	13	2.0%		
\$40,000-49,999	486	7.4%	626	7.6%	28	5.8%		
\$50,000-59,999	383	5.8%	448	5.5%	13	3.4%		
\$60,000-74,999	391	6.0%	539	6.6%	30	7.6%		
\$75,000-99,999	450	6.9%	572	7.0%	24	5.4%		
\$100,000-124,999	247	3.8%	350	4.3%	21	8.3%		
\$125,000-149,999	127	1.9%	219	2.7%	18	14.5%		
\$150,000-199,999	214	3.3%	340	4.2%	25	11.8%		
\$200,000+	267	4.1%	396	4.8%	26	9.7%		
Total	6,565	100.0%	8,185	100.0%				

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

RENTER HOUSEHOLD INCOME 62+

Income Cohort	MSA					
	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,763	10.8%	4,267	10.4%	101	2.7%
\$10,000-19,999	6,957	20.0%	7,566	18.5%	122	1.8%
\$20,000-29,999	5,106	14.7%	5,695	13.9%	118	2.3%
\$30,000-39,999	3,422	9.8%	3,864	9.5%	88	2.6%
\$40,000-49,999	2,777	8.0%	3,181	7.8%	81	2.9%
\$50,000-59,999	2,514	7.2%	2,920	7.1%	81	3.2%
\$60,000-74,999	2,703	7.8%	3,347	8.2%	129	4.8%
\$75,000-99,999	2,528	7.3%	3,094	7.6%	113	4.5%
\$100,000-124,999	1,563	4.5%	1,995	4.9%	86	5.5%
\$125,000-149,999	1,217	3.5%	1,665	4.1%	90	7.4%
\$150,000-199,999	1,020	2.9%	1,464	3.6%	89	8.7%
\$200,000+	1,176	3.4%	1,787	4.4%	122	10.4%
Total	34,746	100.0%	40,845	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac Consulting LLP, August 2020

As of 2019, approximately 51.2 percent of senior renter households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income senior renter households is projected to decrease slightly; however, 48.8 percent of renter households within the PMA will still earn less than \$30,000 annually. Although this percentage is decreasing, the number of households in these low-income cohorts is projected to increase. This projected trend illustrates a continued need for additional senior affordable housing options within the area.

Conclusion

The PMA is an area of significant population and household growth, especially senior growth. The PMA and MSA have shown moderate population and household growth figures over the last decade. The PMA and MSA demonstrated annual senior population growth at rates of 4.2 and 4.5 percent from 2010 to 2019, outpacing that of the nation and general population. Over the same period of time, the senior household growth rates of the PMA and MSA also outpaced the nation. As of 2019, approximately 51.2 percent of senior renter households within the PMA have annual incomes below \$30,000. Through 2024, the percentage of low-income senior households is projected to decline slightly; however, 48.8 percent of renter households within the PMA will still earn less than \$30,000 annually. Although this percentage is decreasing, the total number of households in these low-income cohorts are projected to increase. The income limitations for the Subject will range from \$14,610 to \$42,960. With a growing number of senior renters in the PMA and a large percentage of renters with low income, coupled with an aging housing stock, we project that there will be substantial demand for new or renovated affordable housing units.

VI. COMPETITIVE ENVIRONMENT

COMPETITIVE ENVIRONMENT

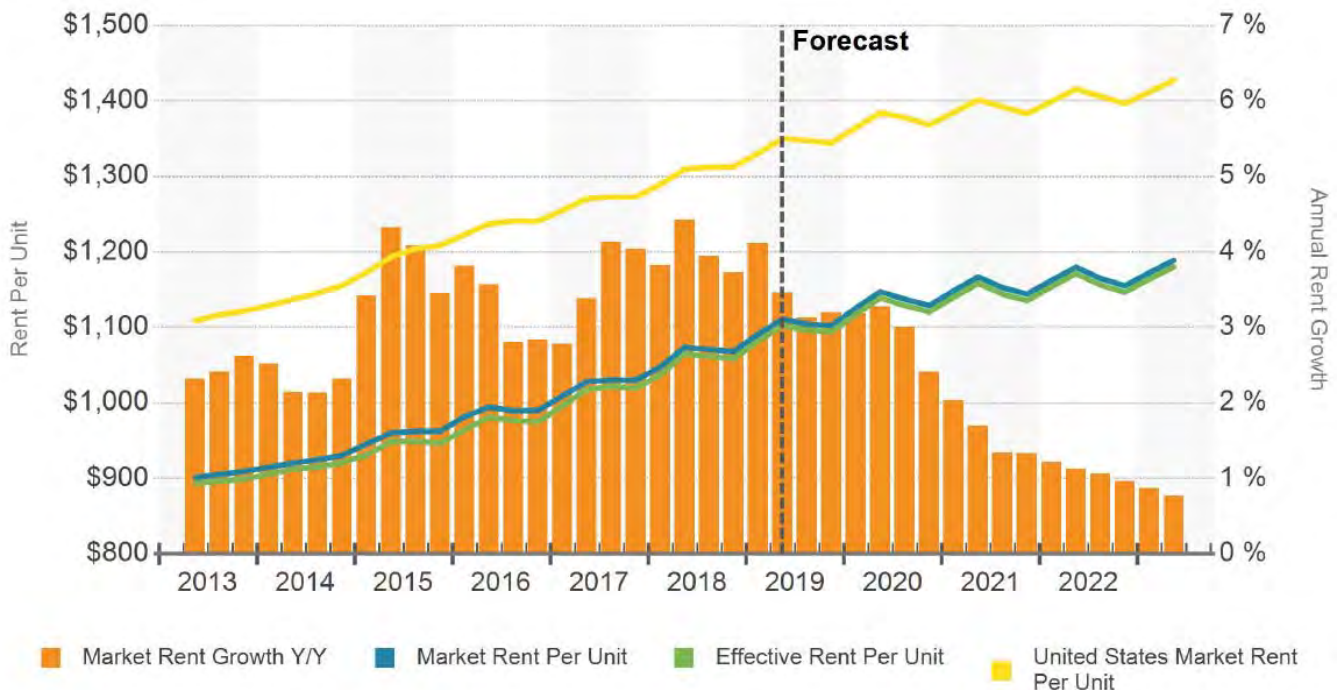
HOUSING SUMMARY

Based on the most recent first quarter 2020 report from CoStar, market conditions in Richmond experienced a slight increase of 0.2 percentage points in vacancy rates between the first quarter of 2020 and the first quarter of 2019. As illustrated in the tables and chart following, the vacancy rate is projected to increase to 7.9 percent through 2023.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	19,493	6.8%	\$1,341	\$1,330	217	0	3,823
3 Star	39,959	6.3%	\$1,104	\$1,098	55	0	588
1 & 2 Star	25,171	6.5%	\$874	\$865	(4)	0	0
Market	84,623	6.5%	\$1,099	\$1,092	268	0	4,411

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	5.7%	7.5%	7.7%	2012 Q2	2.9%	2000 Q3
Absorption Units	1,516	867	1,233	2,568	2015 Q2	(1,180)	2011 Q1
Delivered Units	1,847	1,077	1,687	2,542	2018 Q4	0	2002 Q3
Demolished Units	0	23	19	216	2010 Q2	0	2019 Q1
Asking Rent Growth (YOY)	3.7%	2.0%	1.8%	4.4%	2018 Q2	-1.6%	2011 Q2
Effective Rent Growth (YOY)	3.9%	2.0%	1.8%	4.6%	2018 Q2	-1.7%	2011 Q2
Sales Volume	\$783 M	\$191.1M	N/A	\$687.1M	2019 Q1	\$0	2005 Q1

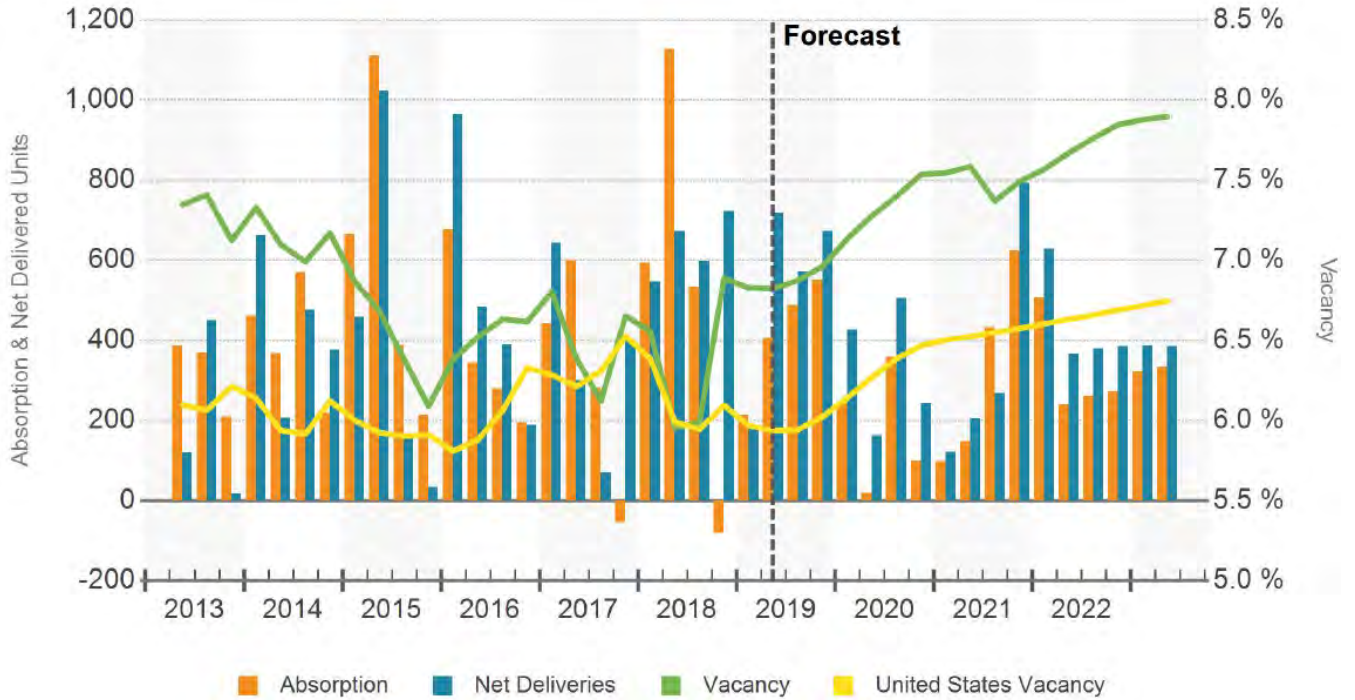
Source: CoStar, August 2020



Source: CoStar, August 2020

Average asking rents increased 3.7 percent over the last year, and are expected to increase at an average of 1.8 percent through 2022.

SHOCKOE HILL ELDERLY I AND III – RICHMOND, VIRGINIA – MARKET STUDY



Source: CoStar, August 2020

Rent growth has been healthy, and is expected to continue growing, and vacancy among the affordable supply in the market is much lower than that of the market-rate properties.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics; i.e., building type, property age/quality, level of common amenities, and absorption rates, as well as similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the local rental market.

Description of Property Types Surveyed

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized six senior LIHTC properties, as well as five family market rate properties, nine of which are located within the PMA. It should be noted that there were no truly comparable senior market rate apartment developments identified in the Subject's PMA; thus, we have utilized five market rate properties targeted to the general population. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The table following details affordable properties in the PMA.

EXCLUDED AFFORDABLE HOUSING IN THE PMA

Property Name	Type	Tenancy	Total Number of Units	Reason For Exclusion
8 and 10 South 14th Street	LIHTC	Family	21	Tenancy
Bellevue	LIHTC	Family	143	Tenancy
Booker T. Washington Plaza	LIHTC	Senior	28	Unable to Contact
Cary 2000 III	LIHTC	Family	29	Tenancy
Cary West	LIHTC	Family	47	Tenancy
Church Hill North I	LIHTC/Market	Family/Senior	115	Unable to Contact
Church Hill/Fairmount House	LIHTC/Section 8	Senior	297	Subsidized
Delmont Plaza	LIHTC	Family	41	Tenancy
Delmont Village	LIHTC	Family	94	Tenancy
Dominion Place	LIHTC/Section 8	Senior	249	Subsidized
Eggleston Plaza	LIHTC	Family	42	Tenancy
Fairview Manor	LIHTC	Family	155	Tenancy
Fieldcrest	LIHTC	Family	29	Tenancy
Glenwood Farms	LIHTC	Family	294	Tenancy
Goodwyn at Union Hill	LIHTC	Family	52	Tenancy
Grace Place	LIHTC	Family	58	Tenancy
Highland Grove I	LIHTC	Family	80	Tenancy
Highland Grove II	LIHTC/Market	Family	48	Tenancy
Highland Park	LIHTC/PBRA	Senior	77	Subsidized
Jackson Ward	LIHTC/Section 8	Family	18	Tenancy
Jefferson Mews	LIHTC	Family	56	Tenancy
Jefferson Townhouses	LIHTC	Family	218	Tenancy
Lincoln Mews I	LIHTC	Family	115	Tenancy
Lincoln Mews II	LIHTC	Family	130	Tenancy
Mallard Greens	LIHTC	Family	192	Tenancy
Market Slip	LIHTC	Family	30	Tenancy
New Clay House	LIHTC	Family	47	Tenancy
Newman Village	LIHTC	Family	99	Tenancy
North Oak	LIHTC/Market	Family	144	Tenancy
Oliver Crossing	LIHTC	Family	222	Tenancy
Parkwood Place	LIHTC	Family	4	Tenancy
Randolph Place	LIHTC/Section 8	Senior	50	Subsidized
Randolph Village	LIHTC/Section 8	Family	91	Tenancy
Richmond Dairy	LIHTC/Market	Family	113	Tenancy
Somanath Seniors	LIHTC	Senior	39	Dissimilar AMI Levels
St. Andrews	LIHTC	Family	22	Tenancy
Tobacco Landing	LIHTC	Family	62	Tenancy

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), there are a number of recently funded developments within the Subject's PMA. According to the VHDA allocation lists since 2017, the following developments have recently received funding.

- Cameo Street is a new construction family LIHTC development that will offer 67 one, two, and three-bedroom units. The project received LIHTC allocations in 2020 and 12 units will benefit from project-based vouchers. The project is expected to be completed in 2022. The development will not directly compete with the Subject given its targeted tenancy.
- The Heights at Brady Square is new construction family LIHTC development that will offer 66 one, two, and three-bedroom units. The project received LIHTC allocations in 2019 and is expected to be completed by the end of 2022. The development will not directly compete with the Subject given its targeted tenancy.
- Apartments at Kingsridge II is a new construction family LIHTC/subsidized development that will offer 71 units. The project received LIHTC allocations in 2018 and all units will benefit from project-based vouchers. The project is expected to be completed by the end of 2020. The development is located approximately 3.0 miles east of the Subject and will not directly compete with the Subject given its targeted tenancy. Apartments at Kingsridge I was allocated tax credits in 2016. The new development was completed in 2018 and offers 72 units targeting families. The development is also located 3.0 miles east of the Subject and will not directly compete with the Subject given the target tenancy.
- Baker School is an adaptive-reuse senior LIHTC/subsidized development that will offer 50 one-bedroom units. The project received LIHTC allocations in 2018 and all units will benefit from project-based vouchers. The development is located approximately 0.4 miles southwest of the Subject and will directly compete with the Subject.
- New Clay House II is a new construction family development that will offer 80 units. The development received an allocation in 2018. The development is located at 1125 West Clay Street, approximately 1.1 miles west of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Venable Street Development is a new construction family development that will offer 50 units. The development received an allocation in 2018. The development is located at 1900 Venable Street, approximately 1.0 mile southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Glenwood Ridge is a new construction family development that will offer 82 units. The development received an allocation 2017 and was be completed in early 2020. The development is located at 3801 Glenwood Avenue, approximately 2.3 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Goodwyn at Union Hill is a new construction family development that will offer 52 units. The development received an allocation in 2017 and was completed in 2018. The development is located at 2230 Venable Street, approximately 1.3 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- The Oliver (formerly known as Herrod Seed) is a new construction family development that will offer 159 units. The development received an allocation in 2017 and was completed in 2019. The

development is located at 908 Oliver Hill Way, approximately 0.9 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.

- Jackson Ward is a new construction/rehabilitation family and senior development that will offer a combined 108 units. The development received an allocation in 2017 and was completed in 2019. The development is located at 105 East Duval Street, approximately 0.4 miles southwest of the Subject. Of the Subject’s 108 units, the 72 units that will target seniors will directly compete with the Subject.

Richmond Planning Department

We spoke with Marissa Parker with the Greater Richmond Partnership, in order to gather information on planned and proposed developments in the PMA. In addition, we have reviewed CoStar’s New Construction Listing in order to gather information on proposed, planned, under construction, or recently completed multifamily development within the Subject’s PMA. The following table illustrates our findings.

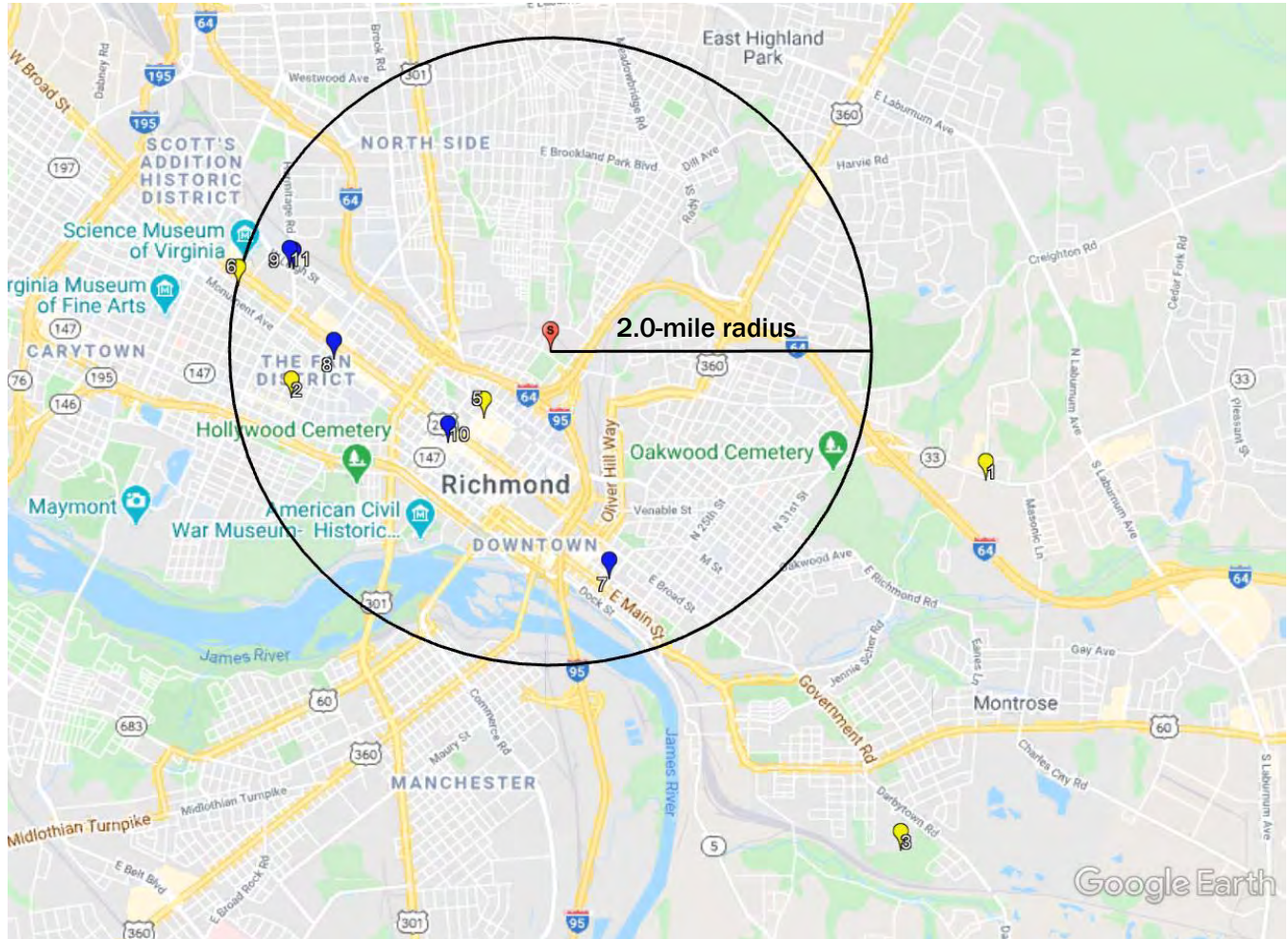
PLANNED AND UNDER CONSTRUCTED MULTIFAMILY IN PMA

Property Name	Rent Structure	Tenancy	Status	Number of Units
Copper Lofts	Market	Family	Under Construction	15
Armstrong Renaissance	Affordable	Family	Under Construction	155
The Summit	Market	Family	Under Construction	166
629 E Main Street	Market	Family	Under Construction	189
Stumpf Flats	Market	Family	Under Construction	24
Main2525	Market/Affordable	Family	Under Construction	216
Shiplock Views	Market	Family	Under Construction	180
The Nest	Market	Family	Under Construction	118
2910 Q St	Market	Family	Under Construction	13
The Foundry Apartments	Affordable	Family	Under Construction	200
One Canal	Market	Family	Proposed	138
1100 N 30th St	Market	Family	Proposed	13
Opus at Richmond	Market	Family	Proposed	168
Soda Flats	Market	Family	Proposed	73
Sphere Apartments	Market	Family	Proposed	200
Brook Road Apartments	Market	Family	Proposed	224
Brookland Park Development	Affordable	Family	Proposed	76
Chamberlayne Senior Apartments	Affordable	Senior	Proposed	152
Scotts Collection 1	Market	Family	Proposed	80
Scott's Collection 2	Market	Family	Proposed	60
Scott's Collection 3	Market	Family	Proposed	72
1900 Cool Lane	Affordable	Homeless	Proposed	105
Centennial Terrace	Market	Family	Proposed	53
1805 Monument Ave	Market	Family	Proposed	62
1601 Roseneath Rd	Market	Family	Proposed	350
Total				3,102

The above summary list excludes the LIHTC new construction development, which is summarized in the previous section. The table illustrates the construction pipeline, which are all either family market rate or affordable properties. These developments will not compete with the Subject, as they target the general population with higher incomes family target tenancies.

Comparable Properties Map

A map illustrating the location of the Subject in relation to the comparable properties is located below. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following page. We have also included an amenity comparison matrix and a rent and square footage ranking table.



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Carter Woods I & II	Richmond	LIHTC	Senior	2.8 miles
2	Columns On Grove	Richmond	LIHTC	Senior	1.6 miles
3	Darby House*	Richmond	LIHTC	Senior	3.8 miles
4	Sandston Plateau Senior Apartments*	Sandston	LIHTC	Senior	7.6 miles
5	Washington Plaza Colony	Richmond	LIHTC	Senior	0.5 miles
6	William Byrd	Richmond	LIHTC	Senior	2.0 miles
7	American Tobacco Center	Richmond	Market	Family	1.4 miles
8	Coliseum Lofts	Richmond	Market	Family	1.3 miles
9	Southern Stove Lofts	Richmond	Market	Family	1.7 miles
10	The Mezzo Lofts At City Center	Richmond	Market	Family	0.8 miles
11	Todd Lofts	Richmond	Market	Family	1.7 miles

*Located outside the PMA

SHOCKOE HILL ELDERLY I AND III – RICHMOND, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate						
Subject	Shockoe Hill Elderly I And III 212 Hospital Street Richmond City, VA 23219 Richmond City County	-	Lowrise 3-stories 1975 / 2002 Senior	Section 8/Market	OBR / 1BA	41	32.8%	479	@60% (Section 8)	\$939	N/A	Yes	0	0.0%						
					1BR / 1BA	12	9.6%	380	@60%	\$487	N/A	Yes	1	8.3%						
					1BR / 1BA	72	57.6%	550	@60% (Section 8)	\$1,006	N/A	Yes	1	1.4%						
					<u>125</u>												2	1.6%		
1	Carter Woods I & II 301 Dabbs House Road Richmond, VA 23223 Henrico County	2.8 miles	Lowrise 3-stories 2004/2007 / n/a Senior	@40%, @50%, @60%	1BR / 1BA	N/A	N/A	505	@40%	\$675	Yes	Yes	0	N/A						
					1BR / 1BA	N/A	N/A	505	@50%	\$845	Yes	Yes	0	N/A						
					1BR / 1BA	N/A	N/A	505	@60%	\$1,010	Yes	Yes	0	N/A						
					2BR / 2BA	N/A	N/A	760	@40%	\$805	Yes	No	0	N/A						
					2BR / 2BA	N/A	N/A	760	@50%	\$1,015	Yes	No	7	N/A						
					2BR / 2BA	N/A	N/A	760	@60%	\$1,215	Yes	No	0	N/A						
<u>152</u>												7	4.6%							
2	Columns On Grove 1617 Grove Ave Richmond, VA 23220 Richmond City County	1.6 miles	Lowrise 3-stories 1994 / 2019 Senior	@40%, @50%	1BR / 1BA	N/A	N/A	640	@40%	\$685	N/A	Yes	0	N/A						
					1BR / 1BA	N/A	N/A	640	@50%	\$885	N/A	Yes	0	N/A						
					1BR / 1BA	N/A	N/A	640	@50%	\$785	No	Yes	0	N/A						
					2BR / 1BA	N/A	N/A	1,020	@50%	\$960	No	Yes	1	N/A						
<u>62</u>												1	1.6%							
3	Darby House 1400 Shirleydale Avenue Richmond, VA 23231 Henrico County	3.8 miles	Midrise 4-stories 2006 / n/a Senior	@40%, @50%	1BR / 1BA	24	22.2%	623	@40%	\$631	No	Yes	1	4.2%						
					1BR / 1BA	52	48.2%	623	@50%	\$780	No	Yes	0	0.0%						
					2BR / 2BA	32	29.6%	883	@50%	\$925	No	Yes	0	0.0%						
					<u>108</u>												1	0.9%		
4	Sandston Plateau Senior Apartments 600 East Williamsburg Road Sandston, VA 23150 Henrico County	7.6 miles	Lowrise 3-stories 2006 / n/a Senior	@40%, @50%	1BR / 1BA	40	40.0%	521	@40%	\$635	No	Yes	0	0.0%						
					1BR / 1BA	45	45.0%	521	@50%	\$760	No	Yes	1	2.2%						
					2BR / 2BA	15	15.0%	772	@50%	\$893	No	Yes	1	6.7%						
					<u>100</u>												2	2.0%		
5	Washington Plaza Colony 21 East Leigh Street Richmond, VA 23219 Richmond County	0.5 miles	Midrise 3-stories 1900 / 2010 Senior	@60%	1BR / 1BA	20	71.4%	519	@60%	\$825	No	No	N/A	N/A						
					2BR / 2BA	N/A	N/A	839	@60%	\$965	No	No	N/A	N/A						
<u>28</u>														N/A	N/A					
6	William Byrd 2501 W Broad Street Richmond, VA 23220 Richmond City County	2.0 miles	Highrise 10-stories 1996 / 2016 Senior	@50%, @60%	1BR / 1BA	24	22.4%	476	@50%	\$835	Yes	Yes	0	0.0%						
					1BR / 1BA	83	77.6%	476	@60%	\$925	Yes	Yes	2	2.4%						
<u>107</u>														2	1.9%					
7	American Tobacco Center 119 N 20th Street Richmond, VA 23223 Richmond City County	1.4 miles	Midrise 5-stories 1912 / 2005 Family	Market	OBR / 1BA	1	0.6%	596	Market	\$1,166	N/A	No	1	100.0%						
					1BR / 1BA	87	55.4%	735	Market	\$1,267	N/A	No	3	3.5%						
					1BR / 1BA	N/A	N/A	844	Market	\$1,299	N/A	No	0	N/A						
					1BR / 1BA	N/A	N/A	625	Market	\$1,237	N/A	No	0	N/A						
					2BR / 2BA	64	40.8%	1,019	Market	\$1,844	N/A	No	7	10.9%						
					2BR / 2BA	N/A	N/A	1,238	Market	\$2,176	N/A	No	0	N/A						
					2BR / 2BA	N/A	N/A	800	Market	\$1,511	N/A	No	0	N/A						
					3BR / 3BA	5	3.2%	1,301	Market	\$2,242	N/A	No	2	40.0%						
					3BR / 3BA	N/A	N/A	1,477	Market	\$2,534	N/A	No	0	N/A						
					3BR / 3BA	N/A	N/A	1,124	Market	\$1,950	N/A	No	0	N/A						
					<u>157</u>														13	8.3%
					8	Coliseum Lofts 1359 West Broad Street Richmond, VA 23220 County	1.3 miles	Lowrise 3-stories 1922/2002 / n/a Family	Market	OBR / 1BA	26	23.4%	365	Market	\$793	N/A	No	1	3.9%	
1BR / 1BA	3	2.7%	430	Market						\$961	N/A	No	0	0.0%						
2BR / 2BA	N/A	N/A	767	Market						\$1,372	N/A	No	1	N/A						
2BR / 2BA	40	36.0%	1,108	Market						\$1,582	N/A	No	0	0.0%						
3BR / 3BA	12	10.8%	1,017	Market						\$1,880	N/A	No	0	0.0%						
<u>111</u>																		2	1.8%	
9	Southern Stove Lofts 1215 Hermitage Rd. Richmond, VA 23220 Richmond City County	1.7 miles	Lowrise 4-stories 1902 / 2007 Family	Market	OBR / 1BA	N/A	N/A	587	Market	\$1,133	N/A	No	0	N/A						
					OBR / 1BA	15	8.0%	537	Market	\$1,108	N/A	No	0	0.0%						
					1BR / 1BA	N/A	N/A	846	Market	\$1,347	N/A	No	0	N/A						
					1BR / 1BA	33	17.7%	669	Market	\$1,222	N/A	No	0	0.0%						
					1BR / 1.5BA	N/A	N/A	797	Market	\$1,322	N/A	No	0	N/A						
					1BR / 1.5BA	11	5.9%	788	Market	\$1,277	N/A	No	0	0.0%						
					2BR / 1BA	N/A	N/A	1,175	Market	\$1,627	N/A	No	0	N/A						
					2BR / 1BA	15	8.0%	778	Market	\$1,447	N/A	No	0	0.0%						
					2BR / 1.5BA	3	1.6%	854	Market	\$1,397	N/A	No	0	0.0%						
					2BR / 2BA	N/A	N/A	995	Market	\$1,597	N/A	No	0	N/A						
					2BR / 2BA	95	50.8%	777	Market	\$1,422	N/A	No	0	0.0%						
					2BR / 2.5BA	6	3.2%	974	Market	\$1,677	N/A	No	0	0.0%						
3BR / 2BA	9	4.8%	1,171	Market	\$1,960	N/A	No	0	0.0%											
<u>187</u>														0	0.0%					
10	The Mezzo Lofts At City Center 17 West Broad Street Richmond, VA 23220 County	0.8 miles	Midrise 4-stories 1910 / 2004/2017 Family	Market	OBR / 1BA	23	26.4%	511	Market	\$1,123	N/A	No	1	4.4%						
					1BR / 1BA	42	48.3%	652	Market	\$1,206	N/A	No	0	0.0%						
					2BR / 1BA	18	20.7%	875	Market	\$1,379	N/A	No	0	0.0%						
					2BR / 2BA	N/A	N/A	1,073	Market	\$1,546	N/A	No	1	N/A						
					3BR / 2BA	4	4.6%	1,656	Market	\$2,449	N/A	No	0	0.0%						
					<u>87</u>														2	2.3%
11	Todd Lofts 1128 Hermitage Road Richmond, VA 23220 County	1.7 miles	Midrise 5-stories 1982/2004 / n/a Family	Market	OBR / 1BA	N/A	N/A	737	Market	\$996	N/A	Yes	1	N/A						
					1BR / 1BA	N/A	N/A	730	Market	\$1,157	N/A	Yes	1	N/A						
					2BR / 2BA	N/A	N/A	809	Market	\$1,563	N/A	Yes	0	N/A						
					3BR / 3BA	N/A	N/A	1,146	Market	\$1,842	N/A	Yes	2	N/A						
<u>100</u>														4	4.0%					

SHOCKOE HILL ELDERLY I AND III – RICHMOND, VIRGINIA – MARKET STUDY

AMENITY MATRIX

Subject	Carter Woods I & II	Columns On Grove	Darby House	Sandston Plateau	Washington Plaza Colony	William Byrd	American Tobacco	Coliseum Lofts	Southern Stove Lofts	The Mezzo Lofts At City	Todd Lofts	
Rent Structure	Section Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	LIHTC Senior	Market Family	Market Family	Market Family	Market Family	Market Family
Building												
Property Type	Lowrise	Lowrise	Lowrise	Midrise	Lowrise	Midrise	Highrise	Midrise	Lowrise	Lowrise	Midrise	Midrise
# of Stories	3-stories	3-stories	3-stories	4-stories	3-stories	3-stories	10-stories	5-stories	3-stories	4-stories	4-stories	5-stories
Year Built	1975	2004/2007	1994	2006	2006	1900	1996	1912	1922/2002	1902	1910	1982/2004
Year Renovated	2002	n/a	2019	n/a	n/a	2010	2016	2005	n/a	2007	2004/2017	n/a
Elevators	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Courtyard	no	no	no	no	yes	yes	no	yes	no	no	no	yes
Utility Structure												
Cooking	yes	no	no	no	no	no	yes	no	yes	no	no	yes
Water Heat	yes	no	no	no	no	no	yes	no	yes	no	no	yes
Heat	yes	no	no	no	no	no	yes	no	yes	no	no	yes
Other Electric	yes	no	no	no	no	no	yes	no	yes	no	no	yes
Water	yes	yes	yes	yes	yes	yes	yes	no	yes	no	no	yes
Sewer	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility												
Grab Bars	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no
Hand Rails	yes	no	no	no	yes	yes	no	no	no	no	no	no
Pull Cords	no	yes	no	no	yes	yes	yes	no	no	no	no	no
Unit Amenities												
Balcony/Patio	no	no	no	no	no	no	no	yes	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	yes	yes	yes	no	yes
Carpeting	yes	yes	yes	yes	yes	no	yes	no	no	no	no	no
Hardwood	no	no	no	no	no	yes	no	yes	yes	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	yes	no	no	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
Exterior Storage	no	no	no	yes	no	no	no	yes	yes	yes	no	yes
Fireplace	no	no	no	no	no	no	no	yes	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	yes	no
Walk-In Closet	no	no	no	no	no	no	no	yes	yes	yes	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	yes	no	yes	yes	yes
W/D Hookup	no	no	no	no	no	no	no	no	no	no	yes	no
Kitchen												
Dishwasher	no	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Microwave	no	no	no	no	no	no	no	yes	no	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	no	yes	no	yes	no	yes	no	yes	yes	no	yes	no
Community Room	yes	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Recreation												
Exercise Facility	no	no	no	yes	no	yes	no	yes	no	yes	no	yes
Swimming Pool	no	no	no	no	no	no	no	yes	no	yes	no	yes
Picnic Area	no	no	no	yes	yes	yes	no	no	no	yes	no	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes	no	no
Theatre	no	no	no	no	yes	no	no	no	no	no	no	no
Recreational Area	no	yes	no	no	yes	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	yes	no	no	yes	no
Adult Education	no	no	no	no	no	no	yes	no	no	no	no	no
Service Coordination	no	yes	no	no	no	no	no	no	no	no	no	no
Shuttle Service	no	no	no	no	no	no	yes	no	no	no	no	no
Hairdresser/Barber	no	no	no	yes	no	no	yes	no	no	no	no	no
Security												
Intercom (Buzzer)	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Intercom (Phone)	no	no	no	no	no	no	no	yes	no	no	no	no
Limited Access	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Patrol	yes	no	no	no	no	no	no	no	no	no	no	no
Perimeter Fencing	no	no	no	yes	no	yes	no	no	no	yes	no	no
Video Surveillance	yes	no	no	yes	no	no	no	yes	no	yes	no	no
Parking												
Garage	no	no	no	no	no	no	no	yes	yes	no	yes	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125	\$80	\$0	\$95	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	n/a	\$0

SHOCKOE HILL ELDERLY I AND III – RICHMOND, VIRGINIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	1,199	Weighted Occupancy:	97.1%
	Market Rate	642	Market Rate	96.7%
	Tax Credit	557	Tax Credit	97.7%
Studio One Bath		Average	One Bedroom One Bath	
RENT	Property	Average	Property	Average
	American Tobacco Center (Market)	\$1,166	Southern Stove Lofts (Market)	\$1,347
	Southern Stove Lofts (Market)	\$1,133	Southern Stove Lofts (Market)(1.5BA)	\$1,322
	The Mezzo Lofts At City Center (Market)	\$1,123	American Tobacco Center (Market)	\$1,299
	Southern Stove Lofts (Market)	\$1,108	Southern Stove Lofts (Market)(1.5BA)	\$1,277
	Todd Lofts (Market)	\$996	American Tobacco Center (Market)	\$1,267
	Shockoe Hill Elderly I And III (@60%)	\$939	American Tobacco Center (Market)	\$1,237
	Coliseum Lofts (Market)	\$793	Southern Stove Lofts (Market)	\$1,222
			The Mezzo Lofts At City Center (Market)	\$1,206
			Todd Lofts (Market)	\$1,157
			Carter Woods I & II (@60%)	\$1,010
			Shockoe Hill Elderly I And III (@60%)	\$1,006
			Coliseum Lofts (Market)	\$961
			William Byrd (@60%)	\$925
			Columns On Grove (@50%)	\$885
			Carter Woods I & II (@50%)	\$845
			William Byrd (@50%)	\$835
			Washington Plaza Colony (@60%)	\$825
			Columns On Grove (@50%)	\$785
			Darby House (@50%)	\$780
			Sandston Plateau Senior Apartments (@50%)	\$760
			Columns On Grove (@40%)	\$685
			Carter Woods I & II (@40%)	\$675
			Sandston Plateau Senior Apartments (@40%)	\$635
			Darby House (@40%)	\$631
			Shockoe Hill Elderly I And III (@60%)	\$487
SQUARE FOOTAGE				
	Todd Lofts (Market)	737	Southern Stove Lofts (Market)	846
	American Tobacco Center (Market)	596	American Tobacco Center (Market)	844
	Southern Stove Lofts (Market)	587	Southern Stove Lofts (Market)(1.5BA)	797
	Southern Stove Lofts (Market)	537	Southern Stove Lofts (Market)(1.5BA)	788
	The Mezzo Lofts At City Center (Market)	511	American Tobacco Center (Market)	735
	Shockoe Hill Elderly I And III (@60%)	479	Todd Lofts (Market)	730
	Coliseum Lofts (Market)	365	Southern Stove Lofts (Market)	669
			The Mezzo Lofts At City Center (Market)	652
			Columns On Grove (@50%)	640
			Columns On Grove (@50%)	640
			Columns On Grove (@40%)	640
			American Tobacco Center (Market)	625
			Darby House (@40%)	623
			Darby House (@50%)	623
			Shockoe Hill Elderly I And III (@60%)	550
			Sandston Plateau Senior Apartments (@50%)	521
			Sandston Plateau Senior Apartments (@40%)	521
			Washington Plaza Colony (@60%)	519
			Carter Woods I & II (@40%)	505
			Carter Woods I & II (@50%)	505
			Carter Woods I & II (@60%)	505
			William Byrd (@60%)	476
			William Byrd (@50%)	476
			Coliseum Lofts (Market)	430
			Shockoe Hill Elderly I And III (@60%)	380
RENT PER SQUARE FOOT				
	The Mezzo Lofts At City Center (Market)	\$2.20	Coliseum Lofts (Market)	\$2.23
	Coliseum Lofts (Market)	\$2.17	Carter Woods I & II (@60%)	\$2.00
	Southern Stove Lofts (Market)	\$2.06	American Tobacco Center (Market)	\$1.98
	Shockoe Hill Elderly I And III (@60%)	\$1.96	William Byrd (@60%)	\$1.94
	American Tobacco Center (Market)	\$1.96	The Mezzo Lofts At City Center (Market)	\$1.85
	Southern Stove Lofts (Market)	\$1.93	Shockoe Hill Elderly I And III (@60%)	\$1.83
	Todd Lofts (Market)	\$1.35	Southern Stove Lofts (Market)	\$1.83
			William Byrd (@50%)	\$1.75
			American Tobacco Center (Market)	\$1.72
			Carter Woods I & II (@50%)	\$1.67
			Southern Stove Lofts (Market)(1.5BA)	\$1.66
			Southern Stove Lofts (Market)(1.5BA)	\$1.62
			Southern Stove Lofts (Market)	\$1.59
			Washington Plaza Colony (@60%)	\$1.59
			Todd Lofts (Market)	\$1.58
			American Tobacco Center (Market)	\$1.54
			Sandston Plateau Senior Apartments (@50%)	\$1.46
			Columns On Grove (@50%)	\$1.38
			Carter Woods I & II (@40%)	\$1.34
			Shockoe Hill Elderly I And III (@60%)	\$1.28
			Darby House (@50%)	\$1.25
			Columns On Grove (@50%)	\$1.23
			Sandston Plateau Senior Apartments (@40%)	\$1.22
			Columns On Grove (@40%)	\$1.07
			Darby House (@40%)	\$1.01

PROPERTY PROFILE REPORT

Carter Woods I & II

Effective Rent Date	7/17/2020
Location	301 Dabbs House Road Richmond, VA 23223 Henrico County
Distance	2.9 miles
Units	152
Vacant Units	7
Vacancy Rate	4.6%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2004/2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Reflections Senior Apartments
Tenant Characteristics	Seniors 62+
Contact Name	Candice
Phone	804-222-4395



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within one month
Annual Chg. in Rent	At max allowable
Concession	None
Waiting List	Yes; six months to one year in length for one-bed units

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	N/A	505	\$590	\$0	@40%	Yes	0	N/A	yes	None
1	1	Lowrise (3 stories)	N/A	505	\$760	\$0	@50%	Yes	0	N/A	yes	None
1	1	Lowrise (3 stories)	N/A	505	\$925	\$0	@60%	Yes	0	N/A	yes	None
2	2	Lowrise (3 stories)	N/A	760	\$695	\$0	@40%	No	0	N/A	yes	None
2	2	Lowrise (3 stories)	N/A	760	\$905	\$0	@50%	No	7	N/A	yes	None
2	2	Lowrise (3 stories)	N/A	760	\$1,105	\$0	@60%	No	0	N/A	yes	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$590	\$0	\$590	\$60	\$650	1BR / 1BA	\$760	\$0	\$760	\$60	\$820
2BR / 2BA	\$695	\$0	\$695	\$0	\$695	2BR / 2BA	\$905	\$0	\$905	\$0	\$905
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	\$925	\$0	\$925	\$60	\$985						
2BR / 2BA	\$1,105	\$0	\$1,105	\$0	\$1,105						

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal		
Grab Bars	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Elevators	Central Laundry		
Off-Street Parking	On-Site Management		
Recreation Areas	Service Coordination		

Comments

The property consists of two phases with shared amenities. Phase I consists of 80 one-bedroom units, while Phase II consists of 72 two-bedroom units. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Carter Woods I & II, continued

Trend Report

Vacancy Rates

4Q18	2Q19	3Q19	3Q20
0.0%	0.0%	0.0%	4.6%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$545	\$0	\$545	\$605
2019	2	N/A	\$545	\$0	\$545	\$605
2019	3	N/A	\$545	\$0	\$545	\$605
2020	3	N/A	\$590	\$0	\$590	\$650

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$645	\$0	\$645	\$645
2019	2	N/A	\$645	\$0	\$645	\$645
2019	3	N/A	\$645	\$0	\$645	\$645
2020	3	N/A	\$695	\$0	\$695	\$695

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$700	\$0	\$700	\$760
2019	2	N/A	\$700	\$0	\$700	\$760
2019	3	N/A	\$700	\$0	\$700	\$760
2020	3	N/A	\$760	\$0	\$760	\$820

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$835	\$0	\$835	\$835
2019	2	N/A	\$835	\$0	\$835	\$835
2019	3	N/A	\$835	\$0	\$835	\$835
2020	3	N/A	\$905	\$0	\$905	\$905

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$855	\$0	\$855	\$915
2019	2	N/A	\$855	\$0	\$855	\$915
2019	3	N/A	\$855	\$0	\$855	\$915
2020	3	N/A	\$925	\$0	\$925	\$985

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,020	\$0	\$1,020	\$1,020
2019	2	N/A	\$1,020	\$0	\$1,020	\$1,020
2019	3	N/A	\$1,020	\$0	\$1,020	\$1,020
2020	3	N/A	\$1,105	\$0	\$1,105	\$1,105

Trend: Comments

4Q18	The property consists of two phases, and amenities are shared. Phase I consists of 80 one-bedroom units, while Phase II consists of 72 two-bedroom units.
2Q19	The property consists of two phases with shared amenities. Phase I consists of 80 one-bedroom units, while Phase II consists of 72 two-bedroom units.
3Q19	The property consists of two phases with shared amenities. Phase I consists of 80 one-bedroom units, while Phase II consists of 72 two-bedroom units. The contact stated rents are slightly below the maximum allowable level, but that the maximum allowable level is likely achievable in the area.
3Q20	The property consists of two phases with shared amenities. Phase I consists of 80 one-bedroom units, while Phase II consists of 72 two-bedroom units. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Columns On Grove

Effective Rent Date	8/25/2020
Location	1617 Grove Ave Richmond, VA 23220 Richmond City County
Distance	N/A
Units	62
Vacant Units	1
Vacancy Rate	1.6%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	1994 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	William Byrd
Tenant Characteristics	55 and older
Contact Name	Emmanuel
Phone	804.354.9455



Market Information

Program	@40%, @50%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Pre-leased up to two weeks
Annual Chg. in Rent	Increase of 4% to 5%
Concession	None
Waiting List	Yes, six months in length

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	N/A	640	\$600	\$0	@40%	Yes	0	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	640	\$800	\$0	@50%	Yes	0	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	640	\$700	\$0	@50%	Yes	0	N/A	no	None
2	1	Lowrise (3 stories)	N/A	1,020	\$850	\$0	@50%	Yes	1	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$60	\$660	1BR / 1BA	\$700 - \$800	\$0	\$700 - \$800	\$60	\$760 - \$860
						2BR / 1BA	\$850	\$0	\$850	\$0	\$850

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal		
Grab Bars	Oven		
Refrigerator			
Property		Premium	Other
Elevators	Central Laundry	None	None
Off-Street Parking	On-Site Management		

Comments

The contact corrected our previous unit count, clarifying they have only 21 units they rent out at the 40%, 50%, and 60% restriction levels. The property is reviewing applications for its one vacancy for one two-bedroom unit at the 50% restriction level. The contact reported that there are two households that have been affected by layoffs or furloughs due to the COVID-19 pandemic; however, the property is offering payment plans to these tenants, which has nearly eliminated bad debt at the property. Further, the contact noted that property interest has remained stable and consistent largely due to the property offering virtual tours and contactless contracts.

Trend Report

Vacancy Rates

4Q11	2Q15	3Q19	3Q20
0.0%	0.0%	0.0%	1.6%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$600	\$0	\$600	\$660

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$583	\$0	\$583	\$643
2015	2	0.0%	\$593	\$0	\$593	\$653
2019	3	0.0%	\$675	\$0	\$675	\$735
2020	3	N/A	\$700 - \$800	\$0	\$700 - \$800	\$760 - \$860

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$655	\$0	\$655	\$655
2015	2	0.0%	\$665	\$0	\$665	\$665
2019	3	0.0%	\$810	\$0	\$810	\$810
2020	3	N/A	\$850	\$0	\$850	\$850

Trend: Comments

4Q11	Management was unable to provide the unit sizes, or Section 8 voucher usage. A waiting list with an estimated wait time of three months is maintained.
2Q15	N/A
3Q19	The contact stated the property is currently undergoing renovations. Thus far, 50 units have been renovated. The contact was unable to specify the scope of the renovations.
3Q20	The contact corrected our previous unit count, clarifying they have only 21 units they rent out at the 40%, 50%, and 60% restriction levels. The property is reviewing applications for its one vacancy for one two-bedroom unit at the 50% restriction level. The contact reported that there are two households that have been affected by layoffs or furloughs due to the COVID-19 pandemic; however, the property is offering payment plans to these tenants, which has nearly eliminated bad debt at the property. Further, the contact noted that property interest has remained stable and consistent largely due to the property offering virtual tours and contactless contracts.

Photos



PROPERTY PROFILE REPORT

Darby House

Effective Rent Date	8/26/2020
Location	1400 Shirleydale Avenue Richmond, VA 23231 Henrico County
Distance	N/A
Units	108
Vacant Units	1
Vacancy Rate	0.9%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	William Byrd, Guardian Place
Tenant Characteristics	Seniors 62+
Contact Name	Kelly
Phone	804.236.8382



Market Information

Program	@40%, @50%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	11%
Leasing Pace	Within a month
Annual Chg. in Rent	Increased 2-3% annually since 3Q18
Concession	None
Waiting List	Yes; 107 HHs for 1-bedroom & 48 HHs for 2-bedroom

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	24	623	\$546	\$0	@40%	Yes	1	4.2%	no	None
1	1	Midrise (4 stories)	52	623	\$695	\$0	@50%	Yes	0	0.0%	no	None
2	2	Midrise (4 stories)	32	883	\$815	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$546	\$0	\$546	\$60	\$606	1BR / 1BA	\$695	\$0	\$695	\$60	\$755
						2BR / 2BA	\$815	\$0	\$815	\$0	\$815

Darby House, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage	Perimeter Fencing	
Garbage Disposal	Hand Rails	Video Surveillance	
Oven	Refrigerator		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	Hairdresser / Barber	Walking trails, planned activities
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		

Comments

The contact stated that the property has had a few unexpected vacancies open up due to the pandemic. The property has not been affected in rent collection due to the residents relatively stable income. The property has re-leased all but one unit that opened up. The contact stated that people on the waitlist are either resistant to move to a senior community or cannot due to lack of support during the pandemic.

Trend Report

Vacancy Rates

4Q17	1Q18	3Q18	3Q20
0.0%	0.9%	0.0%	0.9%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$500	\$0	\$500	\$560
2018	1	0.0%	\$500	\$0	\$500	\$560
2018	3	0.0%	\$500	\$0	\$500	\$560
2020	3	4.2%	\$546	\$0	\$546	\$606

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$655	\$0	\$655	\$715
2018	1	0.0%	\$655	\$0	\$655	\$715
2018	3	0.0%	\$655	\$0	\$655	\$715
2020	3	0.0%	\$695	\$0	\$695	\$755

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$775	\$0	\$775	\$775
2018	1	3.1%	\$775	\$0	\$775	\$775
2018	3	0.0%	\$775	\$0	\$775	\$775
2020	3	0.0%	\$815	\$0	\$815	\$815

Trend: Comments

4Q17	The contact could not provide a unit breakdown by bedroom type.
1Q18	The contact reported a waiting list which has 50 applicants for the one-bedroom units and 17 for the two-bedroom units. Despite strong demand, rents are set below the maximum allowable since most household would not be able to afford max rents.
3Q18	The contact could not provide a unit breakdown by bedroom type.
3Q20	The contact stated that the property has had a few unexpected vacancies open up due to the pandemic. The property has not been affected in rent collection due to the residents relatively stable income. The property has re-leased all but one unit that opened up. The contact stated that people on the waitlist are either resistant to move to a senior community or cannot due to lack of support during the pandemic.

Photos



PROPERTY PROFILE REPORT

Sandston Plateau Senior Apartments

Effective Rent Date	8/27/2020
Location	600 East Williamsburg Road Sandston, VA 23150 Henrico County
Distance	N/A
Units	100
Vacant Units	2
Vacancy Rate	2.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Reflections Senior Apartments
Tenant Characteristics	Seniors 62+
Contact Name	Carol
Phone	804-328-9706



Market Information

Program	@40%, @50%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 4-5% annually since 3Q18
Concession	None
Waiting List	Yes; 21 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	40	521	\$550	\$0	@40%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	45	521	\$675	\$0	@50%	Yes	1	2.2%	no	None
2	2	Lowrise (3 stories)	15	772	\$783	\$0	@50%	Yes	1	6.7%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	\$60	\$610	1BR / 1BA	\$675	\$0	\$675	\$60	\$735
						2BR / 2BA	\$783	\$0	\$783	\$0	\$783

Sandston Plateau Senior Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Garbage Disposal	Grab Bars		
Hand Rails	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Courtyard	Elevators	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Theatre		

Comments

The property has been relatively unaffected by COVID-19. No increase in vacancies or delinquencies.

Sandston Plateau Senior Apartments, continued

Trend Report

Vacancy Rates

4Q17	3Q20
0.0%	2.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$494	\$0	\$494	\$554
2020	3	0.0%	\$550	\$0	\$550	\$610

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$617	\$0	\$617	\$677
2020	3	2.2%	\$675	\$0	\$675	\$735

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$718	\$0	\$718	\$718
2020	3	6.7%	\$783	\$0	\$783	\$783

Trend: Comments

4Q17 The contact had no additional comments.

3Q20 The property has been relatively unaffected by COVID-19. No increase in vacancies or delinquencies.

Photos



PROPERTY PROFILE REPORT

Washington Plaza Colony

Effective Rent Date	8/26/2020
Location	21 East Leigh Street Richmond, VA 23219 Richmond County
Distance	N/A
Units	28
Vacant Units	N/A
Vacancy Rate	N/A
Type	Midrise (age-restricted) (3 stories)
Year Built/Renovated	1900 / 2010
Marketing Began	N/A
Leasing Began	5/01/2010
Last Unit Leased	12/31/2010
Major Competitors	None identified
Tenant Characteristics	55 and over, ages range from 55 to 93.
Contact Name	Susan Morris
Phone	804.728.2122



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	One to two months
Annual Chg. in Rent	Increased 1% annually since 4Q15
Concession	None
Waiting List	N/Av

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (3 stories)	20	519	\$740	\$0	@60%	No	N/A	N/A	no	None
2	2	Midrise (3 stories)	N/A	839	\$855	\$0	@60%	No	N/A	N/A	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$740	\$0	\$740	\$60	\$800
2BR / 2BA	\$855	\$0	\$855	\$0	\$855

Washington Plaza Colony, continued

Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan	Perimeter Fencing	
Garbage Disposal	Grab Bars		
Hand Rails	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Outdoor sun porch
Courtyard	Elevators		
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

Rents found from website: colonywashingtonplaza.com.

Washington Plaza Colony, continued

Trend Report

Vacancy Rates

4Q11	4Q15	3Q20
3.6%	3.6%	N/A

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	0.0%	\$640 - \$670	\$0	\$640 - \$670	\$700 - \$730
2015	4	N/A	\$675 - \$715	\$0	\$675 - \$715	\$735 - \$775
2020	3	N/A	\$740	\$0	\$740	\$800

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	4	12.5%	\$745 - \$795	\$0	\$745 - \$795	\$745 - \$795
2015	4	N/A	\$790 - \$840	\$0	\$790 - \$840	\$790 - \$840
2020	3	N/A	\$855	\$0	\$855	\$855

Trend: Comments

4Q11	The property is the conversion of a former school building. During the initial absorption phase, a concession consisting of a waived application fee was offered. Management has no plans to change the rents at the property in the next year.
4Q15	Management indicated that leasing pace is dependent on voucher usage. Rents range depending on square footage of the unit. This property does not maintain a waiting list.
3Q20	Rents found from website: colonywashingtonplaza.com.

PROPERTY PROFILE REPORT

William Byrd

Effective Rent Date	8/24/2020
Location	2501 W Broad Street Richmond, VA 23220 Richmond City County
Distance	2 miles
Units	107
Vacant Units	2
Vacancy Rate	1.9%
Type	Highrise (age-restricted) (10 stories)
Year Built/Renovated	1996 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Seniors 55+, average age of 67
Contact Name	Kim
Phone	804-359-5200



Market Information

Program	@50%, @60%
Annual Turnover Rate	3%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, two months in length

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Highrise (10 stories)	24	476	\$835	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Highrise (10 stories)	83	476	\$925	\$0	@60%	Yes	2	2.4%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$835	\$0	\$835	\$0	\$835	1BR / 1BA	\$925	\$0	\$925	\$0	\$925

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	Adult Education
Central A/C	Coat Closet	Limited Access	Shuttle Service
Grab Bars	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	Hairdresser / Barber	None
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The contact reported that the two vacancies at the property are units that are being renovated that were damaged from a fire in the beginning of July 2020. The contact reported that there are four to five households that have been affected by layoffs or furloughs due to the COVID-19 pandemic; however, the property is offering payment plans to these tenants, which has nearly eliminated bad debt at the property. Further, the contact noted that property interest has remained stable and consistent largely due to the property offering virtual tours and contactless contracts.

Trend Report

Vacancy Rates

4Q18	2Q19	3Q19	3Q20
0.0%	0.0%	0.9%	1.9%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$725	\$0	\$725	\$725
2019	2	0.0%	\$805	\$0	\$805	\$805
2019	3	0.0%	\$805	\$0	\$805	\$805
2020	3	0.0%	\$835	\$0	\$835	\$835

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$875	\$0	\$875	\$875
2019	2	0.0%	\$895	\$0	\$895	\$895
2019	3	1.2%	\$895	\$0	\$895	\$895
2020	3	2.4%	\$925	\$0	\$925	\$925

Trend: Comments

4Q18	The scope of renovations in 2016 included new HVAC systems, flooring, cabinetry, windows, and finishes.
2Q19	The contact had no additional comments.
3Q19	N/A
3Q20	The contact reported that the two vacancies at the property are units that are being renovated that were damaged from a fire in the beginning of July 2020. The contact reported that there are four to five households that have been affected by layoffs or furloughs due to the COVID-19 pandemic; however, the property is offering payment plans to these tenants, which has nearly eliminated bad debt at the property. Further, the contact noted that property interest has remained stable and consistent largely due to the property offering virtual tours and contactless contracts.

Photos



PROPERTY PROFILE REPORT

American Tobacco Center

Effective Rent Date	6/05/2020
Location	119 N 20th Street Richmond, VA 23223 Richmond City County
Distance	1.4 miles
Units	157
Vacant Units	13
Vacancy Rate	8.3%
Type	Midrise (5 stories)
Year Built/Renovated	1912 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Bobber Flats, Canal Walk
Tenant Characteristics	Some medical students
Contact Name	Whitney
Phone	804-377-9900



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Used in RCS?	Range
0	1	Midrise (5 stories)	1	596	\$1,033	\$0	Market	No	1	100.0%	Yes	None
1	1	Midrise (5 stories)	87	735	\$1,120	\$0	Market	No	3	3.4%	No	AVG*
1	1	Midrise (5 stories)	0	844	\$1,152	\$0	Market	No	0	N/A	No	HIGH*
1	1	Midrise (5 stories)	0	625	\$1,090	\$0	Market	No	0	N/A	Yes	LOW*
2	2	Midrise (5 stories)	64	1,019	\$1,647	\$0	Market	No	7	10.9%	No	AVG*
2	2	Midrise (5 stories)	0	1,238	\$1,979	\$0	Market	No	0	N/A	No	HIGH*
2	2	Midrise (5 stories)	0	800	\$1,314	\$0	Market	No	0	N/A	No	LOW*
3	3	Midrise (5 stories)	5	1,301	\$2,032	\$0	Market	No	2	40.0%	No	AVG*
3	3	Midrise (5 stories)	0	1,477	\$2,324	\$0	Market	No	0	N/A	No	HIGH*
3	3	Midrise (5 stories)	0	1,124	\$1,740	\$0	Market	No	0	N/A	No	LOW*

Trend Report

Vacancy Rates

2Q17	1Q19	2Q19	2Q20
0.6%	1.9%	0.6%	8.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$950 - \$1,259	\$0	\$950 - \$1,259	\$1,068 - \$1,377
2019	1	1.1%	\$1,000 - \$1,300	\$0	\$1,000 - \$1,300	\$1,118 - \$1,418
2019	2	0.0%	\$1,080 - \$1,120	\$0	\$1,080 - \$1,120	\$1,198 - \$1,238
2020	2	3.4%	\$1,090 - \$1,152	\$0	\$1,090 - \$1,152	\$1,208 - \$1,270

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	1.6%	\$1,254 - \$2,059	\$0	\$1,254 - \$2,059	\$1,418 - \$2,223
2019	1	3.1%	\$1,200 - \$2,000	\$0	\$1,200 - \$2,000	\$1,364 - \$2,164
2019	2	0.0%	\$1,275 - \$1,677	\$0	\$1,275 - \$1,677	\$1,439 - \$1,841
2020	2	10.9%	\$1,314 - \$1,979	\$0	\$1,314 - \$1,979	\$1,478 - \$2,143

2BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,980 - \$3,121
2019	1	0.0%	\$1,759 - \$2,900	\$0	\$1,759 - \$2,900	\$1,980 - \$3,121
2019	2	20.0%	\$1,715 - \$2,354	\$0	\$1,715 - \$2,354	\$1,936 - \$2,575
2020	2	40.0%	\$1,740 - \$2,324	\$0	\$1,740 - \$2,324	\$1,961 - \$2,545

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$950	\$0	\$950	\$1,056
2019	1	0.0%	\$950	\$0	\$950	\$1,056
2019	2	0.0%	\$940	\$0	\$940	\$1,046
2020	2	100.0%	\$1,033	\$0	\$1,033	\$1,139

Trend: Comments

2Q17	Contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property.
1Q19	The contact noted that the property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. The contact noted that the average turnover is about 25 percent, but is seasonal for the property. The contact reported that rent rates can be subject to change daily. Utilities include cable and internet.
2Q19	The property does not accept Housing Choice Vouchers. The range in rent for each unit type is due to differences in square footage. Basic cable and high-speed internet are included in the rent. Garage parking is available for \$125 per month. Exterior storage is available for \$35 per month.
2Q20	N/A

Photos



PROPERTY PROFILE REPORT

Coliseum Lofts

Effective Rent Date	6/05/2020
Location	1359 West Broad Street Richmond, VA 23220 County
Distance	1.3 miles
Units	111
Vacant Units	2
Vacancy Rate	1.8%
Type	Lowrise (3 stories)
Year Built/Renovated	1922/2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some students
Contact Name	Kathryn
Phone	804-355-5638



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Remained the same on average
Concession	None
Waiting List	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Used in RCS?	Range
0	1	Lowrise (3 stories)	26	365	\$793	\$0	Market	No	1	3.8%	Yes	None
1	1	Lowrise (3 stories)	3	430	\$961	\$0	Market	No	0	0.0%	Yes	None
2	2	Lowrise (3 stories)	N/A	767	\$1,372	\$0	Market	No	1	N/A	No	None
2	2	Lowrise (3 stories)	40	1,108	\$1,582	\$0	Market	No	0	0.0%	No	None
3	3	Lowrise (3 stories)	12	1,017	\$1,880	\$0	Market	No	0	0.0%	No	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$793	\$0	\$793	\$0	\$793
1BR / 1BA	\$961	\$0	\$961	\$0	\$961
2BR / 2BA	\$1,372 - \$1,582	\$0	\$1,372 - \$1,582	\$0	\$1,372 - \$1,582
3BR / 3BA	\$1,880	\$0	\$1,880	\$0	\$1,880

Coliseum Lofts, continued

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Garage(\$80.00)		
Central Laundry	On-Site Management		

Comments

The contacted noted the property experiences higher turnover during the summer due to a large number of students living at the property. The property does not accept Housing Choice Vouchers. Tandem garage spaces are offered for a monthly fee of \$130.

Trend Report

Vacancy Rates

3Q16	2Q20
0.0%	1.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$935	\$0	\$935	\$935
2020	2	0.0%	\$961	\$0	\$961	\$961

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,240	\$0	\$1,240	\$1,240

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,322	\$0	\$1,322	\$1,322
2020	2	N/A	\$1,372 - \$1,582	\$0	\$1,372 - \$1,582	\$1,372 - \$1,582

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$1,978	\$0	\$1,978	\$1,978
2020	2	0.0%	\$1,880	\$0	\$1,880	\$1,880

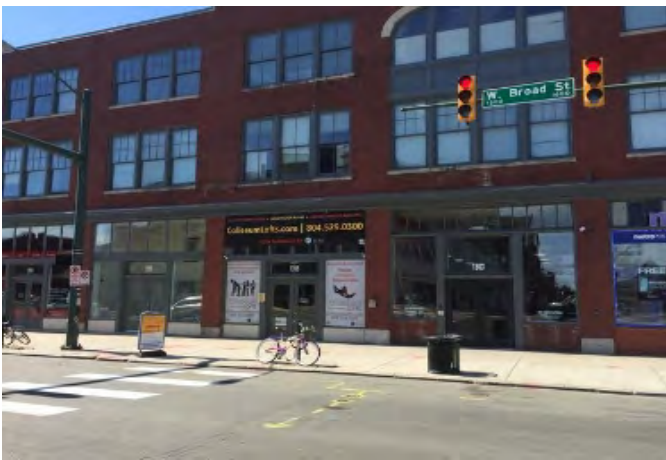
Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	0.0%	\$825	\$0	\$825	\$825
2020	2	3.8%	\$793	\$0	\$793	\$793

Trend: Comments

3Q16	The contacted noted the property experiences higher turnover during the summer due to some students living at the property. One-bedroom units range in square footage from 430 to 625 square feet and range in rent from \$935 to \$983. Two-bathroom units range in square footage from 526 to 1,108 square feet and range in rent from \$1,322 to \$1,510. Cable and internet are included in the rent. The property does not offer any off-street parking. The property does not accept Housing Choice Vouchers.
2Q20	The contacted noted the property experiences higher turnover during the summer due to a large number of students living at the property. The property does not accept Housing Choice Vouchers. Tandem garage spaces are offered for a monthly fee of \$130.

Photos



PROPERTY PROFILE REPORT

Southern Stove Lofts

Effective Rent Date	6/05/2020
Location	1215 Hermitage Rd. Richmond, VA 23220 Richmond City County
Distance	1.7 miles
Units	187
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (4 stories)
Year Built/Renovated	1902 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Rebecca
Phone	804-422-2222



Market Information

Program	Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Remained stable since 2019
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Used in RCS?	Range
0	1	Lowrise (4 stories)	0	587	\$1,000	\$0	Market	No	0	N/A	No	HIGH*
0	1	Lowrise (4 stories)	15	537	\$975	\$0	Market	No	0	0.0%	Yes	LOW*
1	1	Lowrise (4 stories)	0	846	\$1,200	\$0	Market	No	0	N/A	No	HIGH*
1	1	Lowrise (4 stories)	33	669	\$1,075	\$0	Market	No	0	0.0%	Yes	LOW*
1	1.5	Lowrise (4 stories)	0	797	\$1,175	\$0	Market	No	0	N/A	No	HIGH*
1	1.5	Lowrise (4 stories)	11	788	\$1,130	\$0	Market	No	0	0.0%	No	LOW*
2	1	Lowrise (4 stories)	0	1,175	\$1,430	\$0	Market	No	0	N/A	No	HIGH*
2	1	Lowrise (4 stories)	15	778	\$1,250	\$0	Market	No	0	0.0%	No	LOW*
2	1.5	Lowrise (4 stories)	3	854	\$1,200	\$0	Market	No	0	0.0%	No	None
2	2	Lowrise (4 stories)	0	995	\$1,400	\$0	Market	No	0	N/A	No	HIGH*
2	2	Lowrise (4 stories)	95	777	\$1,225	\$0	Market	No	0	0.0%	No	LOW*
2	2.5	Lowrise (4 stories)	6	974	\$1,480	\$0	Market	No	0	0.0%	No	None
3	2	Lowrise (4 stories)	9	1,171	\$1,750	\$0	Market	No	0	0.0%	No	None

Trend Report

Vacancy Rates

3Q11	4Q18	2Q19	2Q20
1.6%	1.1%	0.0%	0.0%

Trend: Market

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,150	\$0	\$1,150	\$1,268
2019	2	0.0%	\$1,130 - \$1,150	\$0	\$1,130 - \$1,150	\$1,248 - \$1,268
2020	2	0.0%	\$1,130 - \$1,175	\$0	\$1,130 - \$1,175	\$1,248 - \$1,293

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$850 - \$1,095	\$0	\$850 - \$1,095	\$968 - \$1,213
2018	4	N/A	\$950 - \$975	\$0	\$950 - \$975	\$1,068 - \$1,093
2019	2	0.0%	\$1,050 - \$1,150	\$0	\$1,050 - \$1,150	\$1,168 - \$1,268
2020	2	0.0%	\$1,075 - \$1,200	\$0	\$1,075 - \$1,200	\$1,193 - \$1,318

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,175	\$0	\$1,175	\$1,339
2019	2	0.0%	\$1,200	\$0	\$1,200	\$1,364
2020	2	0.0%	\$1,200	\$0	\$1,200	\$1,364

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,095 - \$1,200	\$0	\$1,095 - \$1,200	\$1,259 - \$1,364
2018	4	N/A	\$1,175 - \$1,225	\$0	\$1,175 - \$1,225	\$1,339 - \$1,389
2019	2	0.0%	\$1,180 - \$1,430	\$0	\$1,180 - \$1,430	\$1,344 - \$1,594
2020	2	0.0%	\$1,250 - \$1,430	\$0	\$1,250 - \$1,430	\$1,414 - \$1,594

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,475	\$0	\$1,475	\$1,639
2019	2	0.0%	\$1,480	\$0	\$1,480	\$1,644
2020	2	0.0%	\$1,480	\$0	\$1,480	\$1,644

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,155 - \$1,400	\$0	\$1,155 - \$1,400	\$1,319 - \$1,564
2018	4	N/A	\$1,175	\$0	\$1,175	\$1,339
2019	2	0.0%	\$1,180 - \$1,430	\$0	\$1,180 - \$1,430	\$1,344 - \$1,594
2020	2	0.0%	\$1,225 - \$1,400	\$0	\$1,225 - \$1,400	\$1,389 - \$1,564

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	3	N/A	\$1,550 - \$1,600	\$0	\$1,550 - \$1,600	\$1,771 - \$1,821
2018	4	N/A	\$1,600	\$0	\$1,600	\$1,821
2019	2	0.0%	\$1,650	\$0	\$1,650	\$1,871
2020	2	0.0%	\$1,750	\$0	\$1,750	\$1,971

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$910 - \$950	\$0	\$910 - \$950	\$1,016 - \$1,056
2020	2	0.0%	\$975 - \$1,000	\$0	\$975 - \$1,000	\$1,081 - \$1,106

Trend: Comments

- 3Q11 Used to be a stove factory--was renovated and converted into apartments in 2007.
- 4Q18 The contact was only able to provide rents on available units. The contact noted that no three-bedroom units haven been available for quite some time; therefore, the contact estimated the base rent for the three-bedroom units. Basic cable and high-speed internet are included in the rent. Exterior storage is available for \$65 per month. The property does not accept Housing Choice Vouchers.
- 2Q19 The contact was only able to provide rents on available units. Basic cable and high-speed internet are included in the rent. Exterior storage is available for \$65 per month. The property does not accept Housing Choice Vouchers.
- 2Q20 The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic. Basic cable and high-speed internet are included in the rent. The property does not accept Housing Choice Vouchers.

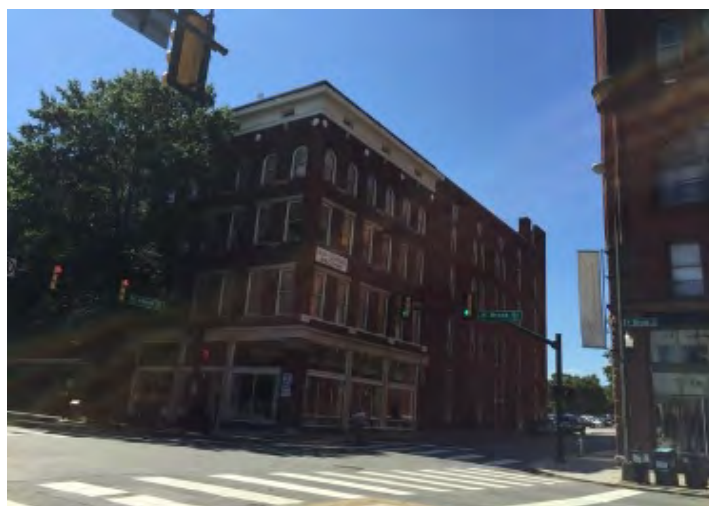
Photos



PROPERTY PROFILE REPORT

The Mezzo Lofts At City Center

Effective Rent Date	6/05/2020
Location	17 West Broad Street Richmond, VA 23220 County
Distance	0.8 miles
Units	87
Vacant Units	2
Vacancy Rate	2.3%
Type	Midrise (4 stories)
Year Built/Renovated	1910 / 2004/2017
Marketing Began	N/A
Leasing Began	8/01/2017
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Laura
Phone	804-225-9860



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	5
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Decreased 6% since 2Q19
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Used in RCS?	Range
0	1	Midrise (4 stories)	23	511	\$1,024	\$0	Market	No	1	4.3%	No	AVG*
0	1	Midrise (4 stories)	0	641	\$1,144	\$0	Market	No	0	N/A	No	HIGH
0	1	Midrise (4 stories)	0	381	\$904	\$0	Market	No	0	N/A	Yes	LOW
1	1	Midrise (4 stories)	42	652	\$1,095	\$0	Market	No	0	0.0%	No	AVG*
1	1	Midrise (4 stories)	0	789	\$1,161	\$0	Market	No	0	N/A	No	HIGH
1	1	Midrise (4 stories)	0	515	\$1,029	\$0	Market	No	0	N/A	Yes	LOW
2	1	Midrise (4 stories)	18	875	\$1,232	\$0	Market	No	0	0.0%	No	AVG*
2	1	Midrise (4 stories)	0	1,071	\$1,254	\$0	Market	No	0	N/A	No	HIGH
2	1	Midrise (4 stories)	0	679	\$1,209	\$0	Market	No	0	N/A	No	LOW
2	2	Midrise (4 stories)	0	1,073	\$1,399	\$0	Market	No	1	N/A	No	AVG*
2	2	Midrise (4 stories)	0	1,288	\$1,494	\$0	Market	No	0	N/A	No	HIGH
2	2	Midrise (4 stories)	0	857	\$1,304	\$0	Market	No	0	N/A	No	LOW
3	2	Midrise (4 stories)	4	1,656	\$2,310	\$0	Market	No	0	0.0%	No	None

The Mezzo Lofts At City Center, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$904 - \$1,144	\$0	\$904 - \$1,144	\$73	\$977 - \$1,217
1BR / 1BA	\$1,029 - \$1,161	\$0	\$1,029 - \$1,161	\$83	\$1,112 - \$1,244
2BR / 1BA	\$1,209 - \$1,254	\$0	\$1,209 - \$1,254	\$114	\$1,323 - \$1,368
2BR / 2BA	\$1,304 - \$1,494	\$0	\$1,304 - \$1,494	\$114	\$1,418 - \$1,608
3BR / 2BA	\$2,310	\$0	\$2,310	\$149	\$2,459

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Elevators	Garage(\$95.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Wi-Fi		

Comments

Internet, YMCA membership, and valet trash is included in rent. The recent renovations to the property included new appliances, countertops, and cabinets. In-unit washer/dryers are available in select units. Garage parking is available for \$95 per month. The property does not accept Housing Choice Vouchers. The property is formerly known as West Broad Street Apartments. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Trend Report

Vacancy Rates

4Q18	2Q19	3Q19	2Q20
11.8%	6.9%	4.6%	2.3%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,046	\$0	\$1,046	\$1,129
2019	2	N/A	\$1,030	\$0	\$1,030	\$1,113
2019	3	2.4%	\$1,070 - \$1,260	\$0	\$1,070 - \$1,260	\$1,153 - \$1,343
2020	2	0.0%	\$1,029 - \$1,161	\$0	\$1,029 - \$1,161	\$1,112 - \$1,244

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,138	\$53	\$1,085	\$1,199
2019	2	N/A	\$1,230	\$0	\$1,230	\$1,344
2019	3	5.6%	\$1,290 - \$1,490	\$0	\$1,290 - \$1,490	\$1,404 - \$1,604
2020	2	0.0%	\$1,209 - \$1,254	\$0	\$1,209 - \$1,254	\$1,323 - \$1,368

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,450	\$79	\$1,371	\$1,485
2019	2	N/A	\$1,530	\$0	\$1,530	\$1,644
2019	3	N/A	\$1,500 - \$1,900	\$0	\$1,500 - \$1,900	\$1,614 - \$2,014
2020	2	N/A	\$1,304 - \$1,494	\$0	\$1,304 - \$1,494	\$1,418 - \$1,608

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$1,400	\$0	\$1,400	\$1,549
2019	2	0.0%	\$1,470	\$0	\$1,470	\$1,619
2019	3	0.0%	\$2,310	\$0	\$2,310	\$2,459
2020	2	0.0%	\$2,310	\$0	\$2,310	\$2,459

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$2,200	\$0	\$2,200	\$2,349
2019	2	0.0%	\$2,310	\$0	\$2,310	\$2,459

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$993	\$41	\$952	\$1,025
2019	2	N/A	\$930	\$0	\$930	\$1,003
2019	3	8.7%	\$970 - \$1,105	\$0	\$970 - \$1,105	\$1,043 - \$1,178
2020	2	4.3%	\$904 - \$1,144	\$0	\$904 - \$1,144	\$977 - \$1,217

Trend: Comments

- 4Q18 This property recently underwent a change in management and a complete renovation and is currently re-leasing all of the units. The renovations include new appliances, countertops, and cabinets. The property is still in lease-up. In-unit washer/dryers are available in select units. High-speed internet is included in the rent. The property does not accept Housing Choice Vouchers.
- 2Q19 The base rents are shown in the profile. The rents range from \$135 to \$200 more per month based on availability. This property recently underwent a change in management and a complete renovation and is currently re-leasing all of the units. The renovations include new appliances, countertops, and cabinets. The property is still in lease-up. In-unit washer/dryers are available in select units. The contact noted that the property is receiving interest; however, most tenants are looking to lease in July or August. Garage parking is available for \$95 per month. The property does not accept Housing Choice Vouchers.
- 3Q19 Internet and a YMCA membership is included in the rent. The recent renovations to the property included new appliances, countertops, and cabinets. In-unit washer/dryers are available in select units. Garage parking is available for \$95 per month. The property does not accept Housing Choice Vouchers. The property is formerly known as West Broad Street Apartments.
- 2Q20 Internet, YMCA membership, and valet trash is included in rent. The recent renovations to the property included new appliances, countertops, and cabinets. In-unit washer/dryers are available in select units. Garage parking is available for \$95 per month. The property does not accept Housing Choice Vouchers. The property is formerly known as West Broad Street Apartments. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Todd Lofts

Effective Rent Date	6/05/2020
Location	1128 Hermitage Road Richmond, VA 23220 County
Distance	1.7 miles
Units	100
Vacant Units	4
Vacancy Rate	4.0%
Type	Midrise (5 stories)
Year Built/Renovated	1982/2004 / N/A
Marketing Began	9/01/2015
Leasing Began	12/01/2015
Last Unit Leased	3/01/2015
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Rachel
Phone	804-250-1640



Market Information

Program	Market
Annual Turnover Rate	45%
Units/Month Absorbed	33
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	Yes; approximately three to four months in length

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Used in RCS?	Range
0	1	Midrise (5 stories)	N/A	701	\$1,007	\$0	Market	Yes	1	N/A	Yes	None
1	1	Midrise (5 stories)	N/A	730	\$1,157	\$0	Market	Yes	1	N/A	Yes	None
2	2	Midrise (5 stories)	N/A	809	\$1,563	\$0	Market	Yes	0	N/A	No	None
3	3	Midrise (5 stories)	N/A	1,146	\$1,842	\$0	Market	Yes	2	N/A	No	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,007	\$0	\$1,007	\$0	\$1,007
1BR / 1BA	\$1,157	\$0	\$1,157	\$0	\$1,157
2BR / 2BA	\$1,563	\$0	\$1,563	\$0	\$1,563
3BR / 3BA	\$1,842	\$0	\$1,842	\$0	\$1,842

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Elevators	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

Basic cable and high-speed internet are included in the rent. Housing Choice Vouchers are not accepted at the property. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Trend Report

Vacancy Rates

3Q16	4Q18	2Q19	2Q20
1.0%	13.0%	3.0%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,040	\$0	\$1,040	\$1,040
2018	4	N/A	\$1,252	\$0	\$1,252	\$1,252
2019	2	N/A	\$1,195	\$0	\$1,195	\$1,195
2020	2	N/A	\$1,157	\$0	\$1,157	\$1,157

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,370	\$0	\$1,370	\$1,370
2018	4	N/A	\$1,311	\$0	\$1,311	\$1,311
2019	2	N/A	\$1,586	\$0	\$1,586	\$1,586
2020	2	N/A	\$1,563	\$0	\$1,563	\$1,563

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,709	\$0	\$1,709	\$1,709
2018	4	N/A	\$1,791	\$0	\$1,791	\$1,791
2019	2	N/A	\$1,523	\$0	\$1,523	\$1,523
2020	2	N/A	\$1,842	\$0	\$1,842	\$1,842

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	3	N/A	\$1,040	\$0	\$1,040	\$1,040
2018	4	N/A	\$1,134	\$0	\$1,134	\$1,134
2019	2	N/A	\$985	\$0	\$985	\$985
2020	2	N/A	\$1,007	\$0	\$1,007	\$1,007

Trend: Comments

3Q16	The studios rents range from \$1,040 to \$1,070. One-bedroom units range in square footage from 580 to 837 square feet and range in rent from \$1,040 to \$1,150. Two-bedroom units range in rent from \$1,370 to \$1,480. Three-bedroom units range in square footage from 1,055 to 1,100 square feet and range in rent from \$1,709 to \$1,739. Base rents are reflected in the property profile. Surface parking is available to tenants for an additional charge of \$25 per month. The contact could not provide a unit breakdown by bedroom type. Washer/Dryers are included in all units. The property does not accept Housing Choice Vouchers.
4Q18	Washer/Dryers are included in all units. The contact noted that the relatively high vacancy rate is due to unusually slow traffic. Basic cable and high-speed internet are included in the rent. The property does not accept Housing Choice Vouchers.
2Q19	Washer/Dryers are included in all units. Basic cable and high-speed internet are included in the rent. Housing Choice Vouchers are not accepted at the property.
2Q20	Basic cable and high-speed internet are included in the rent. Housing Choice Vouchers are not accepted at the property. The contact reported the property has generally been unaffected by the ongoing COVID-19 pandemic.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject is located in a primarily residential neighborhood that single-family homes, multifamily, and undeveloped. The Subject has good access to area amenities. The comparable properties are located all located in the PMA within 7.6 miles of the Subject. The following table compares the Subject to comparable properties.

LOCATION COMPARISON

No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential (vs Subject)
S	Shockoe Hill Elderly I And III	23219	\$30,917	\$953	\$324,300	-
1	Carter Woods I & II	23223	\$38,431	\$917	\$149,800	-3.9%
2	Columns On Grove	23220	\$39,656	\$1,004	\$255,500	5.1%
3	Darby House*	23231	\$54,222	\$963	\$176,400	1.0%
4	Sandston Plateau Senior*	23150	\$58,175	\$981	\$158,900	2.9%
5	Washington Plaza Colony	23219	\$30,917	\$953	\$324,300	0.0%
6	William Byrd	23220	\$39,656	\$1,004	\$255,500	5.1%
7	American Tobacco Center	23223	\$38,431	\$917	\$149,800	-3.9%
8	Coliseum Lofts	23220	\$39,656	\$1,004	\$255,500	5.1%
9	Southern Stove Lofts	23220	\$39,656	\$1,004	\$255,500	5.1%
10	The Mezzo Lofts At City Center	23220	\$39,656	\$1,004	\$255,500	5.1%
11	Todd Lofts	23220	\$39,656	\$1,004	\$255,500	5.1%

*Located outside of the PMA

The Subject's location has a lower median household income and a similar to lower median rent to majority of the comparables. However, the Subject site has a generally higher median home value than the LIHTC and market rate comparables. Overall, the Subject appears to be located in a generally superior location when compared to the majority of the LIHTC comparables, but inferior to the market rate comparable.

Size, Age and Condition

The Subject was converted into apartments in the 1984, renovated in 2000, and is in average condition. Following renovations, the Subject will be considered in good condition.

Carter Woods I & II, Darby House, Sandston Plateau Senior Apartments, American Tobacco Center, Coliseum Lofts, Southern Stove Lofts, and Todd Lofts, were renovated between 2002 and 2007, exhibiting average condition, similar to the Subject "as is" and slightly inferior to the Subject "as renovated." The remaining comparables were built or last renovated between the 2010 and 2019, exhibiting good condition, slightly inferior to the Subject "as is" and similar to the Subject "as renovated."

The LIHTC properties range in size from 28 to 152 units, with an average development size of 93 units, while the market rate developments range from 87 to 187 units, with an average development size of 128 units. The Subject, with 125 units, is similar to the development size for the comparable properties.

Unit Size

The following table illustrates the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON		
Bedroom Type	OBR	1BR
Subject*	479	380 – 550
Average	556	622
Min	365	430
Max	737	846
Advantage/Disadvantage	-14%	-39% : -12%

*Weighted Average

UNIT SIZE COMPARISON - SENIOR PROPERTIES		
Bedroom Type	OBR	1BR
Subject*	479	380 – 550
Average	N/A	553
Min	N/A	476
Max	N/A	640
Advantage/Disadvantage	N/A	-31% : -1%

*Weighted Average

The Subject's studio and one-bedroom weighted average unit sizes are below the average unit sizes of the comparables. The Subject's smallest one-bedroom unit sizes are below the range of the comparables, while the studio and larger one-bedroom unit size is within the range of the comparables. In addition, the Subject's weighted average one-bedroom unit sizes are similar to below the average unit size among the senior LIHTC comparables. The smaller units at the comparable properties do not appear to exhibit any performance issues and/or be at any significant disadvantage and, therefore, the Subject's units are considered competitive in the market. Regardless, the Subject's unit sizes have still been considered in our market rent determinations.

Unit Amenities

The Subject's in-unit amenities include blinds, carpeting/vinyl flooring, central heating and air conditioning, coat closets, hand rails, and grab bars. Appliances include a disposal, oven, and refrigerator. Post-renovation, the Subject will also offer microwaves. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding in-unit amenities, the Subject is considered slightly superior to the majority of LIHTC comparables and generally inferior to the market rate comparables. Overall, we believe that the unit amenities are and will remain competitive.

Common Area Amenities

The Subject's common area amenities include a meeting room, community room, elevators, central laundry facilities, and on-site management. Post-renovation, the Subject will also offer a business center, fitness room, and free wireless internet in all units. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding community amenities, the Subject is considered slightly superior to the majority of LIHTC comparables, and inferior to the market rate comparables. Nonetheless, we believe that the common area amenities are and will remain sufficiently competitive as a senior affordable property.

Security Features

The Subject offers limited access with an intercom system, courtesy patrol, and video surveillance as security features, which will continue post-renovation. All of the comparables offer at least one type of security feature, such as an intercom system, limited access, courtesy patrol, or video surveillance. Based on the strong historical performance, we believe the Subject will remain competitive.

Utility Structure

The Subject's rent includes all utilities, including electric water heating, electric heating, electric cooking, general electric expenses, as well as water, sewer, and trash expenses, and all common area expenses. Post-renovation, the utility structure will remain the same. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Virginia Housing Development Authority, effective January 1, 2020.

Parking

The Subject offers approximately 40 off-street parking spaces, or 0.3 spaces per unit. Post-renovation, the parking structure will remain the same. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation. All but one of the comparable properties offer free off-street parking, similar to the Subject. In addition, there are three comparables that offer garage parking for an additional fee of \$80 to \$125 per month. The Subject will be considered similar to the majority of the comparables in terms of parking.

Summary of Property Characteristics

All but two of the comparables are located within the PMA, and the majority of the comparables have generally similar to superior locations. The Subject's unit sizes are considered competitive. Regarding in-unit and community amenities, the Subject is considered slightly superior to the majority of LIHTC comparables, and generally inferior to the market rate comparables. We believe that the amenities are and will remain competitive.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Vacancy Levels

The following table details vacancy levels at comparable properties. It should be noted that vacancy rate for Washington Plaza Colony was unavailable, and has been excluded from the vacancy analysis.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Carter Woods I & II	LIHTC	Senior	152	7	4.6%
Columns On Grove	LIHTC	Senior	62	1	1.6%
Darby House*	LIHTC	Senior	108	1	0.9%
Sandston Plateau Senior Apartments*	LIHTC	Senior	100	2	2.0%
William Byrd	LIHTC	Senior	107	2	1.9%
American Tobacco Center	Market	Family	157	13	8.3%
Coliseum Lofts	Market	Family	111	2	1.8%
Southern Stove Lofts	Market	Family	187	0	0.0%
The Mezzo Lofts At City Center	Market	Family	87	2	2.3%
Todd Lofts	Market	Family	100	4	4.0%
Total LIHTC			529	13	2.3%
Total Market Rate			642	21	3.3%
Overall Total			1,171	34	2.9%

*Located outside of the PMA

Physical vacancy rates among the comparables range from zero to 8.3 percent, with an overall vacancy rate of 2.9 percent in the market. The senior LIHTC comparables reported vacancy of 0.9 to 4.6 with an average of 2.3 percent, while the vacancy rates among the market rate properties range from zero to 8.3 percent with an average of 3.3 percent. The following table illustrates the Subject's historical vacancy and collection loss rates as obtained from the audited financial statements:

HISTORICAL VACANCY/COLLECTION	
Year	Vacancy/Collection Loss Rate
2019	3.0%
2018	3.7%
2017	6.8%

The Subject's vacancy rates have been 3.7 and 3.0 percent in 2018 and 2019, respectively. According to the most recent rent roll provided, dated August 24, 2020, the Subject's was 98.4 percent occupied with a waiting list. Based upon the Subject's current/historical data and the comparable data, we believe the Subject will operate with a physical vacancy of five percent or less.

Concessions

Concessions at the comparable properties are primarily reflective of a slow rental market. None of the comparables are currently offering concessions. The Subject is currently 98.4 percent occupied with a waiting list and subsidy in place on 113 of the 125 units, which will continue post-renovation. Therefore, we do not believe that the Subject will need to offer rent concessions in order to maintain stabilized occupancy.

Turnover

The following table details turnover rates at comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Carter Woods I & II	LIHTC	Senior	5%
Columns On Grove	LIHTC	Senior	5%
Darby House*	LIHTC	Senior	15%
Sandston Plateau *	LIHTC	Senior	8%
Washington Plaza Colony	LIHTC	Senior	N/A
William Byrd	LIHTC	Senior	3%
American Tobacco Center	Market	Family	25%
Coliseum Lofts	Market	Family	50%
Southern Stove Lofts	Market	Family	32%
The Mezzo Lofts At City Center	Market	Family	30%
Todd Lofts	Market	Family	45%
Average Turnover			22%

*Located outside of the PMA

Turnover rates in the market range from three to 50 percent, with an average of 22 percent. The LIHTC properties averaged seven percent turnover and the market rate properties averaged 36 percent turnover annually. The Subject's reported turnover rate is approximately 15 percent annually. Overall, we expect that the Subject will continue to experience a turnover rate of 20 percent or less.

Waiting Lists

The following table illustrates the waiting lists offered at the comparable properties included in our survey.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Carter Woods I & II	LIHTC	Senior	Yes; up to one year for 1BR units
Columns On Grove	LIHTC	Senior	Yes, six months
Darby House*	LIHTC	Senior	Yes; 155 households
Sandston Plateau *	LIHTC	Senior	Yes; 21 households
Washington Plaza Colony	LIHTC	Senior	N/Av
William Byrd	LIHTC	Senior	Yes, two months
American Tobacco Center	Market	Family	None
Coliseum Lofts	Market	Family	None
Southern Stove Lofts	Market	Family	None
The Mezzo Lofts At City Center	Market	Family	None
Todd Lofts	Market	Family	Yes; 3 – 4 months

Overall, all of the senior LIHTC properties reportedly maintain a waiting list indicating unmet demand in the Subject's market. In addition, the Subject currently maintains a lengthy waiting list. As a newly renovated property, we believe the Subject will continue to maintain a waiting list.

Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Carter Woods I & II	LIHTC	Senior	Kept at max
Columns On Grove	LIHTC	Senior	Increase of 4% to 5%
Darby House*	LIHTC	Senior	Increased 2-3% annually since 3Q18
Sandston Plateau*	LIHTC	Senior	Increased 4-5% annually since 3Q18
Washington Plaza Colony	LIHTC	Senior	Increased 1% annually since 4Q15
William Byrd	LIHTC	Senior	Kept at max
American Tobacco Center	Market	Family	Changes daily
Coliseum Lofts	Market	Family	Remained stable
Southern Stove Lofts	Market	Family	Remained stable since 2Q19
The Mezzo Lofts At City Center	Market	Family	Decreased 6% since 2Q19
Todd Lofts	Market	Family	Changes daily

Two of the LIHTC comparables reported rents being kept at maximum allowable levels, and four reported rent increases of one to five percent. Four of the market rate comparables reported stable or fluctuating rents and one reported rental decreases. Overall, we believe that the Subject will be able to achieve small increases in rent, given that the proposed rents are appropriately positioned, within the bounds of growth in the AMI for affordable units. In addition, 113 of the LIHTC units will benefit from Section 8 rental subsidies and tenants will continue to pay 30 percent of their income towards rent.

Absorption

We were not able to obtain absorption information from any of the comparable properties. However, we were able to obtain absorption information on six multifamily developments in Richmond, which is detailed following.

ABSORPTION						
Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month	
Canopy At Ginter Park	Market	Family	2019	301	16	
The Village At Westlake	Market	Family	2018	252	42	
Port City Apartments	LIHTC	Family	2018	135	22	
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43	
Terraces At Manchester	Market	Family	2015	148	16	
The Lofty	Market	Family	2015	33	7	
Average LIHTC					33	
Average Market					20	
Overall Average					24	

The LIHTC properties leased-up at a rate of between 22 and 43 units per month, with an average of 33 units per month. The market rate properties leased-up at a rate of between seven and 42 units per month, with an average of 20 units per month. The overall average among all properties was 24 units per month. Renovations will occur with minimal disruption to tenants and rents increases will be minimal, at the maximum allowable level; therefore, we do not believe that there will be a need for any significant reabsorption of units. Based on the performance of recently opened properties in the Subject's market, we have estimated that the Subject would absorb approximately 21 to 25 units per month, if hypothetically vacant, for an absorption period of approximately five to six months.

Affordable Properties in the PMA

Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of comparable affordable LIHTC and Section 8 rental housing developments in the area demonstrate significant demand for good quality rental units.

AFFORDABLE HOUSING IN THE PMA

Property Name	Type	Tenancy	Total Number of Units	Number of LIHTC Units
8 and 10 South 14th Street	LIHTC	Family	21	21
Bacon Retirement Community	LIHTC	Senior	58	58
Bellevue	LIHTC	Family	143	143
Booker T. Washington Plaza	LIHTC	Senior	28	28
Bowler Retirement Community	LIHTC	Senior	62	62
Carter Woods I*	LIHTC	Senior	80	80
Carter Woods II*	LIHTC	Senior	72	72
Cary 2000 III	LIHTC	Family	29	29
Cary West	LIHTC	Family	47	47
Church Hill North I	LIHTC/Market	Family	60	50
Church Hill/Fairmount House	LIHTC/Section 8	Senior	297	297
Columns on Grove	LIHTC	Senior	21	21
Delmont Plaza	LIHTC	Family	41	41
Delmont Village	LIHTC	Family	94	94
Dominion Place	LIHTC/Section 8	Senior	249	249
Eggleston Plaza	LIHTC	Family	42	42
Fairview Manor	LIHTC	Family	155	155
Fieldcrest	LIHTC	Family	29	29
Glenwood Farms	LIHTC	Family	294	294
Goodwyn at Union Hill	LIHTC	Family	52	52
Grace Place	LIHTC	Family	58	52
Highland Grove I	LIHTC	Family	80	80
Highland Grove II	LIHTC/Market	Family	48	38
Highland Park	LIHTC	Senior	77	77
Jackson Ward	LIHTC/Section 8	Family	18	18
Jefferson Mews	LIHTC	Family	56	56
Jefferson Townhouses	LIHTC	Family	218	218
Lincoln Mews I and II	LIHTC	Family	245	245
Mallard Greens	LIHTC	Family	192	192
Market Slip	LIHTC	Family	30	30
New Clay House	LIHTC	Family	47	47
Newman Village	LIHTC	Family	99	99
North Oak	LIHTC/Market	Family	144	112
Oliver Crossing	LIHTC	Family	222	222
Parkwood Place	LIHTC	Family	4	4
Randolph Place	LIHTC/Section 8	Senior	50	50
Randolph Village	LIHTC/Section 8	Family	91	91
Richmond Dairy	LIHTC/Market	Family	113	99
Somanath Seniors at Beckstoffers	LIHTC	Senior	39	39
St. Andrews	LIHTC	Family	22	22
Tobacco Landing	LIHTC	Family	62	60
William Byrd*	LIHTC	Senior	104	104
Newman Village Apartments	Section 8	Family	99	0
Delmont Plaza	Section 8	Family	32	0
Church Hill	Section 8	Senior	296	0
Oliver Crossing Apartments	Section 8	Family	222	0
Shockoe Hill II	Section 8	Senior	64	0

*Utilized as a comparable

Reasonability of Rents

The tables below illustrate the Subject’s current and proposed asking rents.

PROPOSED RENTS

Unit Type	Number of Units	Unit Size (SF)*	Proposed LIHTC Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	Current Net Contract Rents	Proposed Post-Renovation Net Contract Rents
<i>60% AMI/Section 8** (Phase I)</i>								
OBR/1BA	41	479	\$939	\$0	\$939	\$939	\$848	\$1,063
1BR/1BA	72	550	\$1,006	\$0	\$1,006	\$1,006	\$870	\$1,110
<i>60% AMI (Phase III)</i>								
1BR/1BA	<u>12</u>	380	\$487	\$0	\$487	\$1,006	N/A	N/A
Total	125							

Notes (1) Source of Utility Allowance provided by the developer

*Weighted Average

**Tenants will pay 30 percent of their income towards rent

CURRENT ASKING, ACHIEVED, AND PROPOSED RENTS

Unit Type	Unit Size (SF)*	Current Asking/Contract Rents	Average Tenant-Paid Rent	Proposed Rent	Percentage Increase in Proposed vs. Achieved Rents	Percentage Increase in Proposed vs. Current Asking Rents
<i>60%/Section 8 (Phase I)</i>						
OBR/1BA	479	\$848	\$241	\$1,063	N/A	25.4%
1BR/1BA	550	\$870	\$263	\$1,110	N/A	27.6%
<i>Market (Phase III)</i>						
1BR/1BA	380	\$487	\$455	\$487	7.0%	0.0%

*Weighted Average

Comparable LIHTC Rents

The Subject will be income-restricted at 60 percent of the AMI or less. We have illustrated rents at properties with similar income restrictions to the Subject. The following table illustrates the Subject’s proposed affordable rents in relation to the LIHTC comparables. The rents have been adjusted for variance in utilities, as well as concessions if applicable.

LIHTC RENT COMPARISON - @60% - POST-REHAB

Property Name	OBR	1BR
Shockoe Hill Elderly I (Subject)	\$939	\$1,006
Shockoe Hill Elderly III (Subject)	-	\$487
2020 LIHTC Maximum (Net)	\$939	\$1,006
Carter Woods I & II	-	\$1,010
Washington Plaza Colony	-	\$825
William Byrd	-	\$925
Average (excluding Subject)	-	\$920
Novoco Achievable LIHTC Rent – Phase I	\$875	\$950
Novoco Achievable LIHTC Rent – Phase III	-	\$900

As illustrated, none of the comparables reported achieving the maximum allowable 60 percent AMI rents. The Subject will be slightly superior to the LIHTC comparables in terms of amenities offered and similar to slightly superior in terms of condition and offer a similar location. The Subject will be most similar to Carter Woods I & II and William Byrd in terms of condition.

- Carter Woods I & II is a 152-unit senior LIHTC development, located 2.8 miles east of the Subject. Carter Woods I & II was constructed in 2004 and 2007, exhibiting good condition, similar to the Subject as renovated. This property is contained in a three-story, lowrise-style residential building with elevator service, which is considered similar to the Subject’s design. This property offers a slightly superior location in terms of access to services and median home value, similar in-unit and community amenities, and similar to superior unit sizes. Further, this property is 100 percent occupied, and reported rents just below the maximum allowable levels.
- William Byrd is a 107-unit LIHTC development, located 2.0 miles west of the Subject William Byrd was constructed in renovated in 2016, exhibiting good condition, similar to the Subject as renovated. This property is contained in a 10-story, highrise-style residential building with elevator service, which is considered similar to the Subject’s design. This property offers a slightly superior location, but slightly inferior in-unit amenities, similar community amenities, and slightly inferior to slightly superior unit sizes. Further, this property is 100 percent occupied, and reported rents just below the maximum allowable levels.

We believe the Subject’s proposed asking rents at Phase III are achievable with upward rent potential, while the proposed rents at Phase I may need to be lowered slightly to be more in line with the comparables (assuming loss of rental assistance). We have placed the Subject’s achievable LIHTC rents within the range to slightly below the range of the most comparable properties and slightly lower to slightly higher than the average surveyed rents in the market.

Market Rent Comparison

The following table compares the Subject’s current rents to comparable market rate developments. Rents have been adjusted for differences in utility structure and concessions if applicable.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject's Proposed 60% AMI Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents As Renovated	Subject Rent Advantage over AMR
Studio - Phase I	\$939	\$793	\$1,033	\$970	\$1,063	-12%
1 BR - Phase III	\$487	\$961	\$1,200	\$1,116	\$1,055	-54%
1 BR - Phase I	\$1,006	\$961	\$1,200	\$1,116	\$1,110	-9%

As shown in the table above, the Subject’s proposed studio and one-bedroom rents at Phase I are within the range and below the average of the comparable market rents, while the proposed one-bedroom rents at Phase III are below the range of the comparables.

Achievable Market Rent

The achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac Consulting concluded that the Subject will be competitive with the market rate competition and its achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject’s condition and quality could reasonably achieve. Overall, the Subject will be most similar to Southern Stove Lofts and Todd Lofts.

- Southern Stove Lofts is a 187-unit market rate development, located 1.7 miles northwest of the Subject. This comparable offers studio, one, two, and three-bedroom units contained in a four-story lowrise residential buildings with elevator access, similar to the Subject. Regarding condition, this property was constructed in 1902, converted to apartments in 2007, exhibiting average condition, similar to the Subject “as is” and slightly inferior to the Subject “as renovated.” It is 100 percent occupied. This property offers larger unit sizes when compared to the Subject, superior in-unit and property amenities, and a slightly superior location.
- Todd Lofts is a 100-unit market rate development, located 1.7 miles west of the Subject. This comparable offers studio, one, two, and three-bedroom units contained in a five-story lowrise residential building with elevator access, similar to the Subject. Regarding condition, this property was constructed in converted to apartments in 1982, and renovated as lately as 2004, exhibiting good condition, similar to the Subject “as is” and slightly inferior to the Subject “as renovated.” It is 94.0 percent occupied. This property offers larger unit sizes when compared to the Subject, superior in-unit amenities, similar property amenities, and a slightly superior location.

SUBJECT COMPARISON TO SOUTHERN STOVE LOFTS

Unit Type	Subject's Proposed 60% AMI Rents	Square Feet	Southern Stove Lofts	Square Feet	Subject Rent Advantage
Studio - Phase I	\$939	479	\$1,108	537	-15.3%
1 BR - Phase III	\$487	380	\$1,222	669	-60.1%
1 BR - Phase I	\$1,006	550	\$1,222	669	-17.7%

SUBJECT COMPARISON TO TODD LOFTS

Unit Type	Subject's Proposed 60% AMI Rents	Square Feet	West Broad Lofts	Square Feet	Subject Rent Advantage
Studio - Phase I	\$939	479	\$996	737	-5.7%
1 BR - Phase III	\$487	380	\$1,157	730	-57.9%
1 BR - Phase I	\$1,006	550	\$1,157	730	-13.1%

We have placed the Subject achievable market rents post-renovation just below the range being achieved at Southern Stove Lofts and Todd Lofts.

Achievable Market Rent – As Renovated

The concluded studio and one-bedroom rents in this report are set at \$1,063 and \$1,110 at Phase I, while the achievable one-bedroom rent for Phase III is \$1,055. The achievable market rents for Phase III have been set slightly lower than Phase I as it offers smaller unit sizes. The Novoco achievable market rents are in-line with the Subject’s proposed contract rents and are within a reasonable range. Our concluded rents are reflective of the improved conditions at the Subject, post renovation, and the proposed amenities change. As previously noted, post-renovation the Subject will offer microwaves, free wireless internet in all units, a business center and exercise room.

Conclusions and Recommendations

The Subject will be well positioned in the market. As a newly renovated property, the Subject will be in generally similar to slightly superior condition to most of the comparable properties. All of the surveyed senior LIHTC comparables in the PMA were fully occupied with a waiting list. Vacancy/collection loss at the Subject is expected to be no more than five percent over the long term in the restricted scenarios and seven percent in the unrestricted scenario. Based on the comparable data, we believe the Subject, if it were to operate without subsidies, could achieve the LIHTC rents just below the maximum allowable levels. These concluded rents are generally in line or below the most similar comparable range. Additionally, the Novoco achievable LIHTC rents offer an advantage over the Novoco achievable market rents. Overall, we believe there will be continued demand for the Subject and no changes to the development scheme are recommended.

VII. DEMAND ANALYSIS / CONCLUSIONS

DEMAND ANALYSIS/CONCLUSIONS

Introduction

The Subject is an existing senior LIHTC/Section 8/market rate development consisting of 125 studio and one-bedroom units. The Subject will continue to target senior households 62 years and older and offer 10 studio units and 115 one-bedroom units restricted to senior households earning 60 percent AMI or below. We calculated the number of income-eligible residents in this section of the analysis. LIHTC rents are based upon a percentage of the AMI, adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates. Rents are calculated assuming that the maximum net rent a senior household will pay is 30 percent of its income at the appropriate AMI levels.

Household size for family developments is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. It should be noted that we have assumed no more than two persons in our analysis due to the Subject's senior tenancy. Additionally we have assumed that one-person households are accommodated in the studio units.

To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Business Information Solutions.

Primary Market Area Defined

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The Subject property is located in Richmond, Virginia. The boundaries of the PMA are defined as Azalea Avenue to the north, Laburnum Avenue to the east, James River and railroad tracks to the south and Interstate 195 to the west. The PMA was determined based on input from area property managers, including the manager at the Subject property.

Income-eligible Calculations

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject's minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. For the Richmond, VA MSA, the 2018 AMI is \$89,400 for a four-person household. Maximum incomes are set at the 60 percent AMI level. Minimum income levels were calculated based on the assumption that lower-income households should pay no more than 35 percent of their income towards rent, while senior households should pay no more than 40 percent of their income towards rent. Often, lower-income households pay a higher percentage of gross income toward housing costs. Therefore, we used 40 percent for LIHTC calculations in the LIHTC scenario, consistent with VHDA guidelines.

Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases, the LIHTC income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible, illustrated by AMI threshold. This analysis assumes that none of the Subject's units have project-based subsidy.

INCOME LIMITS – ABSENT SUBSIDIES

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>60% AMI</i>	
Studio	\$28,170	\$37,560
1BR	\$14,610	\$42,960

62+ INCOME DISTRIBUTION 2019

Income Cohort	Total Renter Households	@60%		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	1,095			
\$10,000-19,999	1,404	5,388	53.9%	757
\$20,000-29,999	864	9,999	100.0%	864
\$30,000-39,999	637	9,999	100.0%	637
\$40,000-49,999	486	2,961	29.6%	144
\$50,000-59,999	383			
\$60,000-74,999	391			
\$75,000-99,999	450			
\$100,000-124,999	247			
\$125,000-149,999	127			
\$150,000-199,999	214			
\$200,000+	267			
Total	6,565		36.6%	2,401

Demand Analysis One - Capture Rate Analysis by Unit Type

In order to determine demand for the proposed unit mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for units restricted at 40 and 50 percent AMI.

The by-unit-type breakdown illustrates an adequate demand at 60 percent AMI and when considered on a by-bedroom-type basis.

The distribution of households by unit type is dependent on the following assumptions.

HOUSEHOLD DISTRIBUTION

Studio	30%	Of one-person households in Studio units
1 BR	70%	Of one-person households in 1BR units
	30%	Of two-person households in 1BR units

60% AMI Demand

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Renter Household Size Distribution	Total Number of Renter Households
1 person	71.5%	4,692
2 persons	14.5%	949
3 persons	6.1%	398
4 persons	5.3%	348
5+ persons	2.7%	178
Total	100.0%	6,565

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,692	x 36.6%	1,716
2 persons	949	x 36.6%	347
3 persons	398	x 36.6%	146
4 persons	348	x 36.6%	127
5+ persons	178	x 36.6%	65
Total	6,565		2,401

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
OBR	515
1BR	1,306
Total	1,820

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
OBR	41	8.0%
1BR	84	6.4%
Total/Overall	125	6.9%

Annual Demand Table

ANNUAL DEMAND - ABSENT SUBSIDY

Calculation	PMA
Number of Renter Households in 2019	6,565
Increase in Number of Renter Households	1,620
Number of Renter Households in 2024	8,185
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	46.8%
Percentage of Income-Qualified Renter Households	36.6%
Number of Income-Qualified Renter Households	2,401
Percentage of Rent-Overburdened	46.9%
Existing Income-Qualified Renter Household Turnover	1,127
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	324
Percentage of Income-Qualified Renter Households	36.6%
New Rental Income Qualified Households	119
<i>Capture Rate Analysis</i>	
Number of Units in Subject	125
Occupied Units at Subject With Vacancy of: 5%	119
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	1,245
Portion Originating within PMA	90%
Total Demand (Turnover and Growth) from within PMA	1,384
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
Total Demand after Competition (Turnover and Growth)	1,384
Yielded Annual Capture Rate of Available Demand in 2020	8.6%

VHDA DEMAND

We have also included the required demand table and calculations from the VHDA market study guidelines.

First, we need to establish the number of renters that are deemed overburden and substandard in the PMA. According to Esri Demographics, 46.9 percent of renter households are rent overburdened (defined by VHDA as paying more than 35 percent of gross income for gross rent), which equates to 1,127 senior households at the 60 percent of AMI. Further, 45 senior households at the 60 percent of AMI, live in substandard housing (defined by VHDA as housing that is overcrowded and/or lack of plumbing).

Existing Households - Overburdened	1,127
+	
Existing Households - Substandard Housing	45

Next, we estimated the number of income-qualified owner households that would likely convert to rental housing utilizing the appropriate income and household distribution.

62+ INCOME DISTRIBUTION 2019

Income Cohort	Total Owner Households	@60%		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	521			
\$10,000-19,999	1,127	5,388	53.9%	607
\$20,000-29,999	989	9,999	100.0%	989
\$30,000-39,999	997	9,999	100.0%	997
\$40,000-49,999	740	2,961	29.6%	219
\$50,000-59,999	560			
\$60,000-74,999	718			
\$75,000-99,999	594			
\$100,000-124,999	435			
\$125,000-149,999	144			
\$150,000-199,999	268			
\$200,000+	364			
Total	7,457		32.2%	2,401

PROJECTED OWNER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2019

	Owner Household Size Distribution	Total Number of Owner Households
1 person	71.5%	2,849
2 persons	14.5%	3,097
3 persons	6.1%	820
4 persons	5.3%	323
5+ persons	2.7%	368
Total	100.0%	7,457

Income-Qualified Renter Demand

	Total Number of Owner Households	% Income-Qualified Owner Households	Number Qualified Owner Households
1 person	2,849	x	917
2 persons	3,097	x	997
3 persons	820	x	264
4 persons	323	x	104
5+ persons	368	x	119
Total	7,457		2,401

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Owner Households	Number of Senior Owner Households Likely to Convert to
OBR	275	14
1BR	941	47
Total	1,217	61

Capture Rate Analysis -- Absent Subsidy

	Developer's Unit Mix	Capture Rate
OBR	41	14.9%
1BR	84	8.9%
Total/Overall	125	10.3%

For seniors likely to convert to rental housing, we have estimated that five percent of the number of income-qualified, owner senior households at the appropriate bedroom size will convert from homeownership to renting, which equates to 61 households at the 60 percent of AMI level.

Senior Households - Likely to Convert to Rental Housing	61
---	----

Next, we have included the directly comparable vacant units at the comparable properties. There are no non-subsidized senior LIHTC properties in the PMA that are planned or under construction. Further, there are currently ten vacant income-restricted units among the senior LIHTC inventory in the PMA that are competitive with the Subject at 60 percent AMI.

The following table illustrates the total demand, the net demand, and the absorption period for the Subject property.

Income Restrictions	Up to 60% (min. income to max. income)
New Rental Households	119
+	
Existing Households - Overburdened	1,127
+	
Existing Households - Substandard Housing	45
+	
Senior Households - Likely to Convert to Rental Housing	61
+	
Existing Qualifying Tenants - To Remain After Renovation	125
TOTAL DEMAND	1,476
-	
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	10
NET DEMAND	1,466
PROPOSED UNITS	125
CAPTURE RATE	8.5%
ABSORPTION PERIOD	5-6 months

We believe there is ample demand for the Subject as proposed, especially given the high historical occupancy rates, as well as the lengthy waiting list. Our concluded capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units	8.5%
Project Wide Absorption Period (Months)	5-6 months

Conclusion

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 6.2 percent.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 8.6 percent for the first year of operation as a senior LIHTC property. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 1,384 units of demand in the first year of the Subject’s operation after completion of renovation. The Subject’s units will need to accommodate 119 total units of demand in order to stabilize at 95 percent occupancy, if hypothetically vacant. Any unaccommodated senior households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

The VHDA net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate - All Units	8.5%
Project Wide Absorption Period (Months)	5-6 months

This capture rate is just above the overall Novoco overall capture rate, and is indicative of adequate demand for the Subject. It should also be noted that the Subject has reported high occupancy levels in recent years and maintains a waiting list, which we believe is a better indication of demand rather than these capture rates. Although some may appear elevated, it is clear there is ample demand for the Subject given historical performance and projected senior demographic trends.

Penetration Rate Analysis

The following table illustrates the competitive units as proposed.

AFFORDABLE HOUSING IN THE PMA

Property Name	Type	Tenancy	Total Number of Units	Number of LIHTC Units	Number of Competitive LIHTC Units
8 an d10 South 14th Street	LIHTC	Family	21	21	0
Bacon Retirement Community	LIHTC	Senior	58	58	58
Bellevue	LIHTC	Family	143	143	0
Booker T. Washington Plaza*	LIHTC	Senior	28	28	28
Bowler Retirement Community	LIHTC	Senior	62	62	62
Carter Woods I*	LIHTC	Senior	80	80	80
Carter Woods II*	LIHTC	Senior	72	72	72
Cary 2000 III	LIHTC	Family	29	29	0
Cary West	LIHTC	Family	47	47	0
Church Hill North	LIHTC/Market	Family/Senior	115	115	45
Church Hill/Fairmount House	LIHTC/Section 8	Senior	297	297	0
Columns on Grove*	LIHTC	Senior	21	21	21
Delmont Plaza	LIHTC	Family	41	41	0
Delmont Village	LIHTC	Family	94	94	0
Dominion Place	LIHTC/Section 8	Senior	249	249	0
Eggleston Plaza	LIHTC	Family	42	42	0
Fairview Manor	LIHTC	Family	155	155	0
Fieldcrest	LIHTC	Family	29	29	0
Glenwood Farms	LIHTC	Family	294	294	0
Goodwyn at Union Hill	LIHTC	Family	52	52	0
Grace Place	LIHTC	Family	58	52	0
Highland Grove I	LIHTC	Family	80	80	0
Highland Grove II	LIHTC/Market	Family	48	38	0
Highland Park	LIHTC/PBRA	Senior	77	77	0
Jackson Ward	LIHTC	Family/Senior	108	108	72
Jefferson Mews	LIHTC	Family	56	56	0
Jefferson Townhouses	LIHTC	Family	218	218	0
Lincoln Mews I	LIHTC	Family	115	115	0
Lincoln Mews II	LIHTC	Family	130	130	0
Mallard Greens	LIHTC	Family	192	192	0
Market Slip	LIHTC	Family	30	30	0
New Clay House	LIHTC	Family	47	47	0
Newman Village	LIHTC	Family	99	99	0
North Oak	LIHTC/Market	Family	144	112	0
Oliver Crossing	LIHTC	Family	222	222	0
Parkwood Place	LIHTC	Family	4	4	0
Randolph Place	LIHTC/Section 8	Family	50	50	0
Randolph Village	LIHTC/Section 8	Family	91	91	0
Richmond Dairy Apartments*	LIHTC	Family	113	113	0
Somanath Seniors at Beckstoffers	LIHTC	Senior	39	39	39
St. Andrews	LIHTC	Family	22	22	0
Tobacco Landing	LIHTC	Family	62	60	0
William Byrd*	LIHTC	Senior	104	104	104
Total			4,038	3,988	581

*Utilized as a comparable

Penetration Rate Analysis

Per VHDA guidelines, we also performed a penetration rate analysis for the Subject’s units, as illustrated in the following table.

PENETRATION RATE	
Number of Proposed Competitive senior <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive senior <i>LIHTC</i> Units in the PMA	581
	+
Number of Proposed senior <i>LIHTC</i> Units at the Subject	125
	=
Total	706
	/
Income Eligible Households - All AMI Levels	2,401
	=
Overall Penetration Rate	29.4%

The overall penetration rate is derived by taking the number of senior LIHTC units proposed or under construction within the PMA, combined with the number of existing senior LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. It should be noted that three of the senior properties could not provide a full unit breakdown by AMI level; therefore, we have included all units at these properties as competitive.

The overall penetration rate for the market is 29.4 percent, which is considered good. This calculation does not account for leakage (i.e. tenants originating outside of the PMA), which is sometimes considerable given the senior tenancy and many have owner households converting to rental housing, which is also not accounted in this calculation. Additionally, the Subject is an existing senior LIHTC/Section 8 property that has historically performed with a high occupancy rate and a lengthy wait list. The surveyed senior LIHTC properties also reported high occupancy rates and three reported waiting lists; therefore, we believe the Subject’s units will continue to be well-accepted in the market and will not negatively affect the local housing stock. Overall, we believe there is adequate demand for the Subject, despite what the indicated penetration rate analysis suggests at face value.

Absorption Estimate

We were not able to obtain absorption information from any of the comparable properties. However, we were able to obtain absorption information on six multifamily developments in Richmond, which is detailed following.

ABSORPTION

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Canopy At Ginter Park	Market	Family	2019	301	16
The Village At Westlake	Market	Family	2018	252	42
Port City Apartments	LIHTC	Family	2018	135	22
Hatcher Tobacco Flats	LIHTC	Family	2015	152	43
Terraces At Manchester	Market	Family	2015	148	16
The Lofty	Market	Family	2015	33	7
Average LIHTC					33
Average Market					20
Overall Average					24

The LIHTC properties leased-up at a rate of between 22 and 43 units per month, with an average of 33 units per month. The market rate properties leased-up at a rate of between seven and 42 units per month, with an average of 20 units per month. The overall average among all properties was 24 units per month. Renovations will occur with minimal disruption to tenants and rents increases will be minimal, at the maximum allowable level; therefore, we do not believe that there will be a need for any significant reabsorption of units. Based on the performance of recently opened properties in the Subject's market, we have estimated that the Subject would absorb approximately 21 to 25 units per month, if hypothetically vacant, for an absorption period of approximately five to six months.

Rent conclusions were provided in the *Competitive Environment* section.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The proposed rents appear to be achievable and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future.

VIII. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES

LOCAL PERSPECTIVE OF RENTAL HOUSING ALTERNATIVES

INTERVIEWS/DISCUSSION

In order to ascertain the need for housing in the Subject's area, interviews were conducted with various local officials.

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), there are a number of recently funded developments within the Subject's PMA. According to the VHDA allocation lists since 2017, the following developments have recently received funding.

- Cameo Street is a new construction family LIHTC development that will offer 67 one, two, and three-bedroom units. The project received LIHTC allocations in 2020 and 12 units will benefit from project-based vouchers. The project is expected to be completed in 2022. The development will not directly compete with the Subject given its targeted tenancy.
- The Heights at Brady Square is new construction family LIHTC development that will offer 66 one, two, and three-bedroom units. The project received LIHTC allocations in 2019 and is expected to be completed by the end of 2022. The development will not directly compete with the Subject given its targeted tenancy.
- Apartments at Kingsridge II is a new construction family LIHTC/subsidized development that will offer 71 units. The project received LIHTC allocations in 2018 and all units will benefit from project-based vouchers. The project is expected to be completed by the end of 2020. The development is located approximately 3.0 miles east of the Subject and will not directly compete with the Subject given its targeted tenancy. Apartments at Kingsridge I was allocated tax credits in 2016. The new development was completed in 2018 and offers 72 units targeting families. The development is also located 3.0 miles east of the Subject and will not directly compete with the Subject given the target tenancy.
- Baker School is an adaptive-reuse senior LIHTC/subsidized development that will offer 50 one-bedroom units. The project received LIHTC allocations in 2018 and all units will benefit from project-based vouchers. The development is located approximately 0.4 miles southwest of the Subject and will directly compete with the Subject.
- New Clay House II is a new construction family development that will offer 80 units. The development received an allocation in 2018. The development is located at 1125 West Clay Street, approximately 1.1 miles west of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Venable Street Development is a new construction family development that will offer 50 units. The development received an allocation in 2018. The development is located at 1900 Venable Street, approximately 1.0 mile southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Glenwood Ridge is a new construction family development that will offer 82 units. The development received an allocation 2017 and was be completed in early 2020. The development is located at 3801 Glenwood Avenue, approximately 2.3 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Goodwyn at Union Hill is a new construction family development that will offer 52 units. The development received an allocation in 2017 and was completed in 2018. The development is located at 2230 Venable Street, approximately 1.3 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.

- The Oliver (formerly known as Herrod Seed) is a new construction family development that will offer 159 units. The development received an allocation in 2017 and was completed in 2019. The development is located at 908 Oliver Hill Way, approximately 0.9 miles southeast of the Subject. The development will not directly compete with the Subject given its target tenancy.
- Jackson Ward is a new construction/rehabilitation family and senior development that will offer a combined 108 units. The development received an allocation in 2017 and was completed in 2019. The development is located at 105 East Duval Street, approximately 0.4 miles southwest of the Subject. Of the Subject's 108 units, the 72 units that will target seniors will directly compete with the Subject.

City Planning and Development Department

We spoke with Marissa Parker with the Greater Richmond Partnership, in order to gather information on planned and proposed developments in the PMA. In addition, we have reviewed CoStar's New Construction Listing in order to gather information on proposed, planned, under construction, or recently completed multifamily development within the Subject's PMA. The following table illustrates our findings.

PLANNED AND UNDER CONSTRUCTED MULTIFAMILY IN PMA

Property Name	Rent Structure	Tenancy	Status	Number of Units
Copper Lofts	Market	Family	Under Construction	15
Armstrong Renaissance	Affordable	Family	Under Construction	155
The Summit	Market	Family	Under Construction	166
629 E Main Street	Market	Family	Under Construction	189
Stumpf Flats	Market	Family	Under Construction	24
Main2525	Market/Affordable	Family	Under Construction	216
Shiplock Views	Market	Family	Under Construction	180
The Nest	Market	Family	Under Construction	118
2910 Q St	Market	Family	Under Construction	13
The Foundry Apartments	Affordable	Family	Under Construction	200
One Canal	Market	Family	Proposed	138
1100 N 30th St	Market	Family	Proposed	13
Opus at Richmond	Market	Family	Proposed	168
Soda Flats	Market	Family	Proposed	73
Sphere Apartments	Market	Family	Proposed	200
Brook Road Apartments	Market	Family	Proposed	224
Brookland Park Development	Affordable	Family	Proposed	76
Chamberlayne Senior Apartments	Affordable	Senior	Proposed	152
Scotts Collection 1	Market	Family	Proposed	80
Scott's Collection 2	Market	Family	Proposed	60
Scott's Collection 3	Market	Family	Proposed	72
1900 Cool Lane	Affordable	Homeless	Proposed	105
Centennial Terrace	Market	Family	Proposed	53
1805 Monument Ave	Market	Family	Proposed	62
1601 Roseneath Rd	Market	Family	Proposed	350
Total				3,102

The above summary list excludes the LIHTC new construction development, which is summarized in the previous section. The table illustrates the construction pipeline, which are all either family market rate or affordable properties. These developments will not compete with the Subject, as they target the general population with higher incomes family target tenancies.

Richmond Housing Authority

According to Ms. Kenyatta Green with the Housing Choice Voucher program at the Richmond Housing Authority, there are approximately 3,574 vouchers allotted to the Richmond area with a total of 3,190 vouchers currently in use. Ms. Green reported that the waiting list has been closed since April 2005 with approximately 640 households with a five-year length. Ms. Green also noted that the list was purged in February 2020 and will be purged again in September 2020. Ms. Green reported that there is high demand for affordable housing in Richmond. The Subject’s proposed rents are below the payment standards. The current payment standards are as follows:

PAYMENT STANDARDS	
Unit Type	Payment Standard
Studio	\$889
1BR	\$8932

The Subject’s proposed LIHTC rents for its studio units are above these standards, while the proposed one-bedroom LIHTC rents are below these standards; however, 113 of the Subject’s units will continue to benefit from the Section 8 contract and tenants will continue to pay 30 percent of their income towards rent and vouchers will not be necessary for these units.

Addendum A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
20. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

September 4, 2020

I affirm the following:

1. I have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by VHDA.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VHDA or in any way acting for, at the request of, or on behalf of VHDA.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

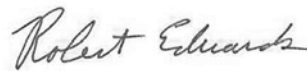
This report was written according to the 2020 VHDA market study guidelines. The recommendations and conclusions are based solely on professional opinion and best efforts.

Respectfully submitted,

Novogradac Consulting LLP



Rebecca S. Arthur, MAI
Certified General Real Estate Appraiser
Rebecca.arthur@novoco.com



Robert C. Edwards, MAI
Virginia Certified General Real
Estate Appraiser No. 4001004822

Addendum B
Statement of Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Vice President - Board of Directors; 2017 - Present
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors: 2013 & 2014
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

State of Arkansas Certified General Real Estate Appraisal No. CG2682
State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Various Continuing Education Classes as required by licensing, ongoing
USPAP Update, January 2018
Forecasting Revenue, May 2019
Discounted Cash Flow Model, May 2019
Business Practices and Ethics, May 2019
HUD MAP Training – Ongoing
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010

HUD MAP Third Party Valuation Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
HUD MAP – Valuation Advance MAP Training, April 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Public Housing for RAD conversion, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with

HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): LIHTC and Year 15 Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Western FHA Mortgage Lenders Conference: Annual Meetings
- Midwest FHA Mortgage Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Missouri Workforce Housing (MOWHA) Annual Conference
- Ohio Housing Council Symposium
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

STATEMENT OF PROFESSIONAL QUALIFICATIONS

William C. Hoedl

I. EDUCATION

University of Denver – Denver, Colorado

Master of Science in Real Estate, 2009

University of Kansas – Lawrence, Kansas

Bachelor of Science in Finance, 2006

II. PROFESSIONAL EXPERIENCE

Manager - Novogradac & Company LLP

Asset Acquisitions Analyst - Madison Liquidity Investors, LLC

Investment Analyst – Resolute Investments, Inc.

Real Estate Analyst – Prior & Associates, LLC

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, farmworker housing, and acquisition with rehabilitation.
- Prepared Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low- Income Housing Tax Credit and market rate properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Assisted in land appraisals for lenders and investment banks.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Conducted over 100 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

Addendum C
Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- ESRI, Business Information Solutions
- Ribbon Demographics
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- City of Richmond Planning & Development Department
- Richmond Department of Economic Development
- Richmond Economic Development Authority
- Greater Richmond Partnership
- Virginia Housing Development Authority
- Richmond Housing Authority
- Virginia's WARN Filings
- CoStar New Construction Listing
- CoStar Richmond Apartment Report

Addendum D
NCHMA Certification



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac & Company LLP**, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies*, and *Model Content Standards for the Content of Market Studies*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Novogradac & Company LLP is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. **Novogradac & Company LLP** is an independent market analyst. No principal or employee of **Novogradac & Company LLP** has any financial interest whatsoever in the development for which this analysis has been undertaken.

Will Hoedl
Real Estate Analyst

Addendum E
Utility Allowance Schedule

**Allowances for
Tenant-Furnished Utilities
and Other Services**

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Utility Allowance Schedule:

HCVP APARTMENTS_ 5 Units and Over

Locality HOUSING CHOICE VOUCHER PROGRAM	Unit Type APARTMENT UNITS 5 AND OVER UNITS PER BUILDING	Date (mm/dd/yyyy) 1/1/2020
--	--	-------------------------------

Utility or Service	Monthly Dollar Allowances									
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	9 BR
AIR CONDITIONING	7	8	11	15	18	22	0	0	0	0
COOKING BOTTLE GAS	9	11	16	21	26	31	0	0	0	0
COOKING ELECTRIC	5	5	8	10	12	15	0	0	0	0
COOKING NATURAL GAS	3	4	6	7	9	11	0	0	0	0
Electric Fee	7	7	7	7	7	7	0	0	0	0
Electric Resistance	14	16	21	24	27	31	0	0	0	0
HEATING NATURAL GAS	20	24	27	30	33	36	0	0	0	0
HEATING OIL	45	53	60	67	75	82	0	0	0	0
OTHER ELECTRIC	17	20	28	36	44	52	0	0	0	0
OTHER NATURAL GAS MONTHLY FEE	16	16	16	16	16	16	0	0	0	0
RANGE AND MICROWAVE	17	17	17	17	17	17	0	0	0	0
REFRIGERATOR	19	19	19	19	19	19	0	0	0	0
SEWER	34	36	50	71	93	114	0	0	0	0
TRASH COLLECTION	19	19	19	19	19	19	0	0	0	0
WATER	24	26	37	56	75	93	0	0	0	0
WATER HEATING BOTTLED GAS	21	25	37	48	59	70	0	0	0	0
WATER HEATING ELECTRIC	11	13	17	20	24	27	0	0	0	0
WATER HEATING NATURAL GAS	7	9	13	17	20	24	0	0	0	0
WATER HEATING OIL_OTHER	16	18	27	35	43	51	0	0	0	0

Addendum F
Subject and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject Shockoe I building from Hospital Street looking north



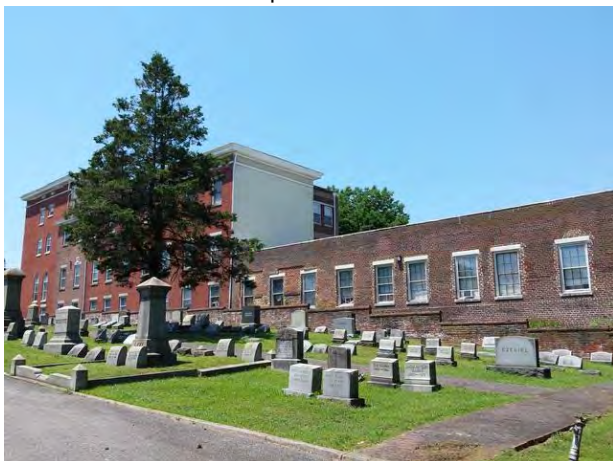
Subject Shockoe I building from cemetery across Hospital Street looking north



Alternative view of Subject Shockoe I building from Hospital Street



Alternative view of Subject Shockoe I building from adjacent cemetery



Subject Shockoe I building from adjacent cemetery looking north



Subject Shockoe I building from site entrance



Rear of Subject Shockoe I building from site entrance



View of Subject Shockoe III building



Rear of Subject Shockoe III building



Alternative of View of Subject Shockoe III building



Alternative of View of Subject Shockoe III building



View of Shockoe II building (not part of Subject)



Alternative view of Shockoe II building (not part of Subject)



Entrance with Subject Shockoe I building on the right and utility building on the left



Adjacent vacant commercial building slated to be Subject community space



Alternative view of vacant commercial building on the left and utility building on the right



Subject entryway looking south (Shockoe I building to the left, utility building to the right)



Rear of Shockoe I building



Rear of Shockoe I building



Parking area behind Shockoe III building



Outdoor seating area



Mailbox area for Shockoe III building



Shockoe I building entrance area



Alternative view of Shockoe I building entrance area



Interior entrance area



Lobby area



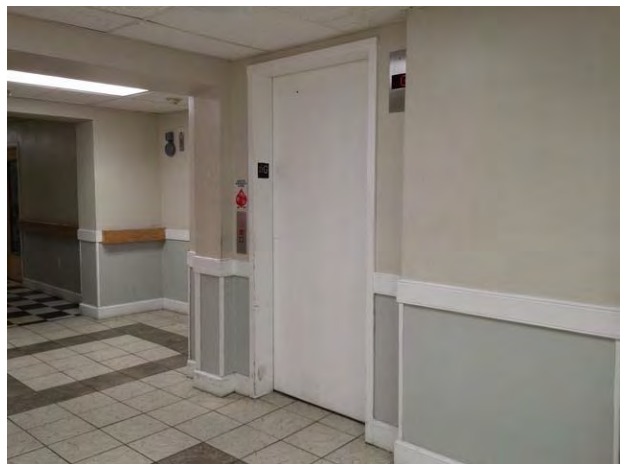
Mailbox area



Management office



Central laundry room



Elevator area



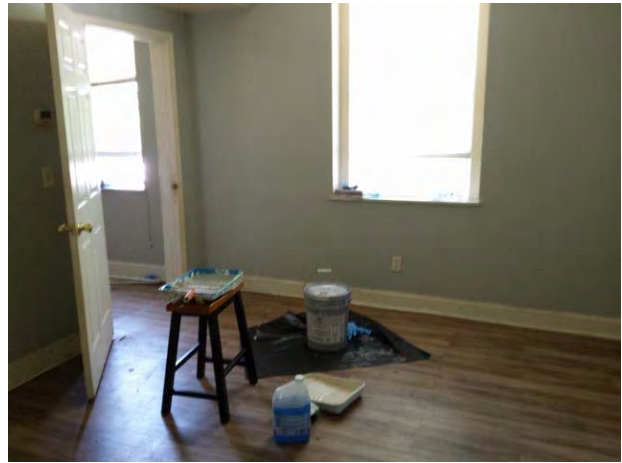
Interior stairway



Interior hallway



Typical living area - occupied unit



Typical living area - vacant unit



Typical kitchen - occupied unit



Typical kitchen - vacant unit



Typical bedroom – occupied unit



Typical bedroom – vacant unit



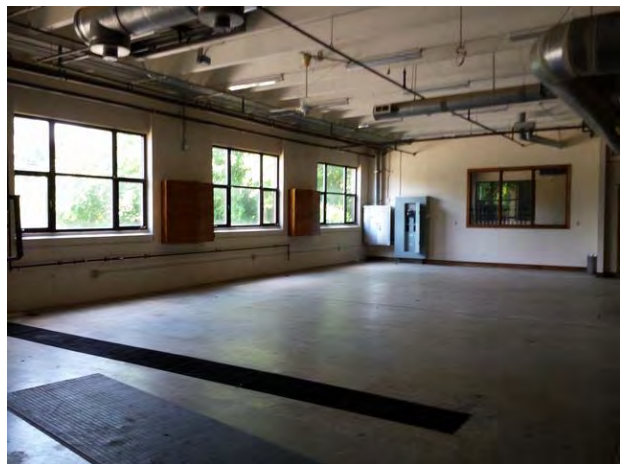
Typical bathroom – occupied unit



Typical bathroom – vacant unit



Interior of community building



Interior of community building



Interior of community building



Interior of community building



View along Hospital Street looking east



View along Hospital Street looking west



View of cemetery across Hospital Street from Subject



Alternative view of cemetery across Hospital Street from Subject



View of cemetery immediately east of Subject



View of cemetery immediately east of Subject (with Subject Shockoe I building in background)



Fey Towers senior public housing building to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Gilpin Court public housing complex to the west of Subject



Residential use (under rehabilitation) to the west of Subject along St. James Street



Residential uses west of Subject along East Charity Street



School to the west of Subject along West Charity Street



Park to the west of Subject along Calhoun Street



Convenience store to the west of Subject along East Hill Street



Railroad tracks to the north of Subject



Industrial uses to the north of Subject along Valley Road



Industrial uses to the north of Subject along Valley Road



Industrial uses to the east of Subject along Hospital Street beyond Interstate 64